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THE BOARD OF TRADE

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THE BOARD OF TRADE

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PREFACE

THE present account of the Board of Trade is intended to form part of the "Whitehall Series" describing the work and constitution of the various Departments of State. For reasons, however, which are given below, the method of approach to the subject differs somewhat from that adopted in most of the volumes to which this book aspires to be a companion.

The Board of Trade has a long, varied and interesting history which is only very partially known ; and it seems possible that its origin and historical growth, and the changes which have taken place in its constitution, functions and policy during the three centuries of its existence, may be of considerable interest not only to students of administrative organisation but also to economists and historians.

As the special organ of Government charged with the oversight of trade and industry, the story of the Board of Trade forms no mean part of the history of national economic expansion, and in that story are clearly reflected contemporary changes in current doctrine and practical policy with regard to the relations between the State and trade. A still more important point brought out in the following pages, is the close correlation between variations in the attitude of the State to private enterprise and critical changes in the general trend of commercial and industrial development.

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These matters seemed of such absorbing interest to the observer of present-day economic conditions and tendencies as to justify me in devoting to the historical evolution of the Board of Trade, and of each of its chief branches of activity, an amount of attention and space that might otherwise be thought disproportionate.

I hope that by so doing the book has been made not less but more useful for its primary purpose of presenting a picture of the Board of Trade as it is to-day. For it is quite impossible to appreciate intelligently the countless ramifications and specialised activities of the modern Board of Trade without a clear knowledge of the steps and processes by which each of these activities has been built up.

Though, however, for these reasons the subject has been approached from the historical point of view, I should like to make it clear that the present volume makes no claim whatever to be a systematic history of the Board of Trade. Much of the material for such a history lies buried in hundreds of volumes of papers and minute books in the British Museum, Record Office and elsewhere which still await an explorer. I do not pretend to have attempted this colossal task, and while considerable use has been made of some of the minute books and other unpublished papers, I have often been content to use the results obtained by the researches of others.

I have in the first place to acknowledge my deep obligation to Mr. R. J. Lister, I.S.O., late Librarian of the Board of Trade, who generously placed at my disposal his fine collection of early Board of

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Trade papers, and who also most kindly permitted me to make full use of the material compiled by him, especially with regard to the little known history of the seventeenth century Councils of Trade.*

For part of the eighteenth century much use has been made of the very valuable work on "The Board of Trade, 1748-82," by Professor A. H. Basye, which forms one of the historical publications of Yale University. For the period immediately following Pitt's reconstitution of the Board of Trade in 1784 the manuscript minute books are a very valuable source of information, but the minutes gradually ceased to be of much interest as the Board of Trade fell into abeyance as a collective body. The history of the separate activities of the specialised Departments into which the Board of Trade was transformed in the middle of the nineteenth century has had to be gathered from a large variety of sources, including published histories and blue books, and unpublished Departmental memoranda and records, supplemented in later years from my own personal remembrance during a long official career, together with the information furnished to me by my former colleagues.

Anyone attempting to write a brief account of the Board of Trade is embarrassed by the wealth of material and the immense area of the field to be covered; and the task is further complicated by the continual interchanges of responsibility for

* Much of this information was embodied in a lecture delivered by Mr. Lister at the Board of Trade in 1922, entitled "The Inception and Development of the Board of Trade."

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particular branches of work between different Departments of State. An endeavour has been made to narrow the field somewhat by refraining from any description of the recent war activities of the Board of Trade. Those activities were of extreme importance and interest, but they were quite abnormal, and they would require a volume to themselves in order to present an adequate picture. I have further omitted the Department of Mines, which, though associated with the Board of Trade and responsible to its President, is practically separate as regards internal organisation. Nor has any account been included of such bodies as the Imperial Shipping Committee, the Food Council or the Standing Committee under the new Merchandise Marks Act. All these bodies, though centred in the Board of Trade, and making use of its officials, are independent of its control and form no part of its normal organisation.

As regards the numerous branches of work which from time to time have migrated to or from the Board of Trade, no uniform rule has been practicable, and each case has been judged to the best of my ability on its merits. For example, an account has been included of the relations between the Board of Trade and the railways, which lasted for nearly a century, in spite of the fact that responsibility for railways has since the war been transferred to the Ministry of Transport. On the other hand, no attempt has been made to describe the work of several bodies (such as the Meteorological Office), which for a short period in the past were managed by the Board of Trade. Only a very

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slight sketch has been given of the work of the Labour Department of the Board of Trade, which was the germ of the existing Ministry of Labour. I have felt that it would be most natural and convenient that the beginnings of this very important work should be included in the forthcoming volume, which will describe the functions of the Ministry by which it has been taken over and developed.

I have to thank the President of the Board of Trade for giving me permission, while I was still an officer of the Board, to write this book. I need hardly say that for any expressions of opinion which may be found in it, the responsibility is entirely my own. On matters of fact, however, I am deeply indebted to present and past Departmental heads and other officials of the Board of Trade, who have given me the greatest possible assistance as regards the history and present working of their respective Departments. I am also very grateful to a number of my former colleagues, too many for separate mention, who have been kind enough to read the proofs or manuscript of the whole or part of the book, and to give me many valuable criticisms and suggestions. To each and all of them my cordial thanks are due.

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Chapter I

ORIGINS

IN origin, constitution and historical development the Board of Trade presents a marked contrast to most other Government Departments. It is not, like the six offices presided over by Secretaries of State, the result of subdividing the duties of the once single *Secretarius* to meet modern requirements. Nor is the Board of Trade, like the "Lords Commissioners" of the Treasury or Admiralty, the result of putting into commission the office of one of the ancient High Officers of State (the Lord High Treasurer or the Lord High Admiral). Nor, again, is the Board of Trade a creature of modern statute, like several of the more recently formed Departments which bear, or until lately bore, the title of "Board," e.g. the Board of Education or the former Local Government Board or Board of Agriculture.

The Board of Trade is now and throughout its history has been an emanation from or a committee of the King's Privy Council. The reason for the original establishment of such a committee was the imperative necessity of relieving the Privy Council of the difficult, tedious and complicated task of dealing with merchants' complaints and of protecting England's overseas trade interests.

A cursory glance through the Calendar of State

Papers is sufficient to show that, at all events by Tudor times, the volume of business thus thrown on the Privy Council was considerable, and it is quite likely that from time to time the obvious device of reference to a committee was resorted to, though until the seventeenth century we have no definite record of the adoption of such a procedure. But the effect of Elizabeth's Spanish wars and of the struggle for independence in the Low Countries was to multiply the number and to aggravate the difficulty of the trade problems which came before the Privy Council, while the increase of monopolies and of privileged trading companies, and the growing inadequacy of mediæval methods of trade regulation to fit the changed conditions of economic expansion, provided fruitful sources of difference and complaint to add to the bewilderment of the Councillors. Another prolific source of difficult trade problems was the growth of colonies and "foreign plantations," which was one of the most significant economic and political features of the Stuart period. Yet another was the extension of Customs duties by James I.

All these problems had to be dealt with in a fashion by a Privy Council unprovided with a developed Secretariat or with permanent expert advisers. Matters came to a crisis with the conclusion of peace with Spain in 1604 and the consequent reopening to English trade of markets which for many years had been closed, while the progress and vicissitudes of the long war in the Netherlands, through which for centuries the major part of English overseas trade had been

carried on, inevitably led to the emergence of a whole series of knotty questions.

It was not, however, until 1621 that we find any record of a systematic attempt to cope with these difficulties.

In October, 1621, the Privy Council were directed by the King "to take into their consideration the true causes of the decay of trade and scarcity of coyne within this Kingdome and to consult of the meanes for removing of these inconveniences." The Council therefore "wrote to the ports to send witnesses for examination on these subjects," and at a meeting held on October 24th, 1621, they set up a Committee consisting of the Lord Treasurer, the Lord President, Lord Carew, Mr. Secretary Calvert, the Master of the Rolls, and Sir Richard Weston, with a quorum of three "to collect and consider evidence and prepare it for further consultation or consideration by the Board."* Of the early proceedings of this Committee of Inquiry (which was in a sense the germ of the Board of Trade) an account is preserved in letters from John Livermore, a witness sent from Exeter, addressed to the Mayor of that city. On October 13th he wrote that the witnesses "had order from the Clerk of the Council to give in writing our reasons for the decay of Trade and the want of Money." A fortnight later (October 27th) he wrote: "On Thursday last we had a full debate of the matter of the decay of Trade and want of Money at the Council Chamber at Whitehall before My Lord the Lord President, My Lord Carew, Sir Thomas

* Privy Council Register, James I. Vol. v., p. 171.

Esmond and Sir Richard Weston* (being appointed Committee for this Business) and after they had particularly conferred with us touching the reasons we propounded they commanded us to joyne ourselves altogether and to consult of some remedies and to bring them in writing against Wednesday next under our hand."† The Merchants' Committee evidently found, as other committees have found after them, that the framing of remedies is a longer and more difficult task than the statement of reasons, for six months later they were still at work, and on May 3rd, 1622, the Council desired them to make their Report with diligence "as extreme injury will arise from any delay therein."

We do not know the terms of the report the Merchants eventually made, but we may perhaps infer something as to the nature of its contents from the terms of reference to a new Committee of the Privy Council which was issued on October 3rd, 1622, "to take under their consideration the encouragement of the home manufacture of wool by permitting free trade, and lowering the customs; the necessity of increasing the money within the realm by giving a fair price for its import, and preventing its export, by compelling merchant strangers to export goods to the full value of their imports and by establishing an exchange."‡

* The names do not agree exactly with the list of members recorded in the Privy Council Register.

† Historical Manuscripts Commission Report on the Archives of the City of Exeter. Cd. 7640 of 1916, p. 108.

‡ British Museum. Sir Julius Cæsar's papers.—Additional MSS. No. 34324, folio 197

This Committee, which consisted of the Lord President, Lord Brooke, Sir John Suckling, Mr. Secretary Calvert and Sir Julius Cæsar, continued in existence until terminated by the King's death, when it was immediately succeeded by another Committee of eighteen members. The "Commissioners for Trade" continued to meet and to deal with questions referred to them by the Privy Council until the disturbances of the Civil War.* Thus in contrast with the *ad hoc* Committee of Inquiry of 1621 the Committee established in 1622 became a standing body to advise the Privy Council on trade matters referred to it from time to time. The Secretary of the Committee was Robert Dixon.

The earliest report of the Commissioners for Trade which I have been able to find was dated July 3rd, 1624, and in the circumstances its contents seem of sufficient interest to be reproduced in an Appendix (see p. 247). It will be seen that the report dealt not only with the general question of "easing the new burthens on trade" but also with a dispute between the Merchant Adventurers and the Merchant Staplers, the terms of settlement providing for the absorption of the Staplers and other Merchants by the Merchant Adventurers, and for defining the classes of textiles in which they may freely trade. On the general subject of "the new burthens upon trade" the Commissioners examined three new foreign impositions :

(1) "The 24s. sterling imposed by the Arch-

* Fresh Commissioners were appointed in 1638 and 1639, and a Report, dated July, 1640, is in existence.

dukes for license money," which they condemn as contrary to the old Treaty with Burgundy lately confirmed by the Treaty with Spain.

(2) "The thirtytwo schillings imposed by the States in the name of consumption money layed upon our cloth and not upon their owne," which should be either abolished or extended to national products.

(3) The Tare, which the Commissioners consider should be made in those towns only where the cloth is sold, and not in every town to which it is carried after sale.

The Report goes on to deal with certain home impositions on trade. The Commissioners do not consider themselves competent to discuss two impositions "which touch upon the King's revenue, as the licence and pretermitted custome," but they call attention to a charge levied by the Merchant Adventurers on cloth, which they consider should be reduced by one-third, levied on imports as well as exports, and limited to three years' duration. The Report also proposed that dyed, dressed and coloured cloth should be totally exempt from the charge.

It will be seen from the above summary that some of the earliest matters dealt with by the Commissioners for Trade bore a strong resemblance to those with which the existing Board of Trade is largely occupied, viz. the safeguarding of trade from unfair treatment in foreign markets, and from excessive burdens at home, and the investigation of complaints by merchants and traders.

Another Report, dated June 9th, 1640, dealt

with the decay of trade caused by the growing export of raw and semi-finished products such as wool, yarn, fuller's earth, etc., and anticipated the modern movement for commercial arbitration by suggesting the appointment of a Court of Merchants for the speedy determination of mercantile causes. It also dealt with the inconvenience caused to English exporters by the practice of the Dutch in continually moving the Staple from town to town, thus compelling the English merchants continually to change their residence.

It appears from a letter addressed in 1647 by Hugh Morell to William Lenthall (the famous Speaker of the House of Commons) that the Commission for Trade of 1639 included "some 30 of the most experienced Merchants of London," but it is uncertain whether these merchants were full members of the Commission or were consulted by it as a separate body, as in 1621. The letter suggested that the House of Commons should re-confirm this "Commission of Merchants or Council for Trade."* Two years later the Inter-regnum Act of February, 1649, imposed on the new Council of State for the Commonwealth the specific duty "to use all good ways and means for the securing, advancement and encouragement of the Trade of England and Ireland and the Dominions to them belonging and to promote the good of all Foreign Plantations and Factories belonging to this Commonwealth or any of the natives thereof."

* Historical MSS. Commission.—Duke of Portland's papers, Vol. I, p. 405.

From this measure dates the definite combination of the encouragement of trade with the care of Foreign Plantations, which has ever since figured in the official title of the Board of Trade. In pursuance of the Act of 1649 the Council of State in March, 1650, directed "the whole Council or any five of them to be a Committee for trade and plantations." The Act of 1649 was for a year only. In 1650, however, another Act established a Council for Trade with a London merchant, Benjamin Worsley, as Secretary, at a salary of £200 a year.* This Council "started with enthusiasm, was renewed in 1651 and then gradually waned in repute."† The succeeding years were marked by the establishment of the Navigation Laws and the resulting war with the Dutch, and by the destruction of Parliamentary Government by Oliver Cromwell. When peace had been restored and Parliament dissolved, Cromwell turned his attention to the encouragement of trade, which had suffered grievously from the civil and foreign struggles, and especially to the settlement of the many new practical problems arising from the application of the Navigation Laws.

In November, 1655, he appointed a "Committee and Standing Council for the advancing and regulating the trade and navigation of the Commonwealth." Richard Cromwell was President, and the Council had more than seventy members,

* It is interesting to note that Benjamin Worsley was again appointed Secretary at £500 a year under Charles II in 1672.

† Lister Lecture on "The Inception and Development of the Board of Trade," p. 4.

including a large body of representative merchants as well as such members of the Privy Council as Edmund Waller and Secretary Thurloe. The quorum was seven. The Committee, which was provided with a couple of clerks besides its Secretary, William Seaman, met in the old House of Lords.

The Dutch at first watched this development with great anxiety, fearing that the labours of the Council might result in fresh measures directed against their trade. These apprehensions were, however, soon dispelled. "A Committee for Trade," wrote the Dutch Ambassador, "was some time since erected in England which we then feared would have proved very prejudicial to our State; but we are glad to see that it was only nominal, so that we hope in time those of London will forget that ever they were merchants."

Whatever expectations Cromwell may have entertained of achieving practical benefit to trade through the deliberations of a Committee of seventy odd members presided over by a mediocre country gentleman and staffed with a secretary and two clerks, the last years of the Commonwealth were not very favourable for the experiment, and there was some murmuring on the part both of merchants and of colonials. The Committee appears, however, to have been considered sufficiently successful to be continued, for within six months of the return of Charles II a fresh Council of Trade was appointed, with detailed instructions preceded by a lengthy preamble, which emphasised the importance of trade manufactures and navigation to the "employment and maintenance of our people." The new

Council was nearly as large as that of Cromwell (sixty-one names figure in the original list, including four members of the preceding Council). It met at Mercers' Hall in the City under the presidency of the Earl of Sandwich, with George Duke as Secretary. £1,000 a year was allotted for secretarial and other charges.

The instructions for the Council of Trade are reproduced in Appendix II. It is interesting as a mark of continuity to note that these instructions were largely the work of two of the four members common to this and Cromwell's Council. The safeguarding of overseas trade against unfair treatment takes first place among the objects of the Council (Articles 1 and 2). Next come the regulation and advancement of chartered trading companies, the restoration of "corrupted, debased and disparaged" manufactures, the regulation of standards of weight and measure, the development of home manufacture and the fostering of fisheries, the balance of trade, navigation, currency, and lastly the preferential treatment of the produce of foreign plantations (Article 11).

With regard to this last item it is to be observed that this Council was only a "Council of Trade," and that a separate "Council of Foreign Plantations" was simultaneously constituted to deal with the "inspection, regulation and care of our Foreign Plantations." Care was taken to avoid overlapping by the instruction in Article 11 that in all matters concerning foreign plantations the Council of Trade was to consult the Council of Plantations. Similarly the Council of Plantations was required by Article 2

of the Instructions to inform all the Governors of plantations "of the creation of a general Council of Trade, wherein their concernments are mingled and provided for with the rest of the King's Dominions." The intended line of demarcation between the two bodies is thus fairly plain. The conduct and inspection of the plantations as such were the task of the Council of Plantations, but the Council of Trade was to include in its scope the trade not only of the plantations but of the King's Dominions as a whole. The Reports of the Council of Trade cover a wide field, e.g. the grievances of the Eastland merchants, the aggressions of the Inquisition against traders to the East Indies, petitions from the Framework Knitters, Arras and Tapestry manufacturers, etc. etc. The Council also considered a proposal to found a Merchant Assurance of Ships and Goods, and the alleged excessive charges by coal merchants and other middlemen in London.

In 1672 the Councils of Trade and of Plantations were united by Patent in a single Standing Council for Trade and Plantations. The Earl of Shaftesbury was appointed President, and Lord Culpeper Vice-President of the new Council, which was described as a "Select Council," was much smaller than the unwieldy bodies by which it was preceded, and apparently contained no merchant members. It consisted of thirteen ordinary members, while ten high officers of State were authorised to attend and vote at their discretion. Among the original members of this Council were John Evelyn and Edmund Waller. The Council first met at

Essex House. Benjamin Worsley (formerly Secretary of Cromwell's Council) was the first Secretary at £500 a year, and ten of the ordinary members were paid salaries of £500 with £800 for the President and £600 for the Vice-President.

A sum not exceeding £1,000 a year was allowed for staff, one member of which was John Locke. Locke succeeded Worsley next year as Secretary,* but probably resigned almost immediately on the resignation of his patron Lord Shaftesbury.† This Council was dissolved in 1674, and its duties were assigned to a small committee of eight Privy Councillors, with a quorum of two. It seems probable that the change was a measure of economy, the salaries of Commissioners and a large part of the cost of staff being saved.

From this time until after the Revolution the Council for Trade and Plantations as a separate entity remained in abeyance, and any business relating to trade and plantations was transacted either by the Privy Council or by committees thereof.‡

Even during this period the thread of continuity was not entirely broken, for it appears from occasional references in various documents that a Committee of Council for Trade and Plantations continued nominally in existence. But it was

* Evelyn's *Diary*.

† *Lister*, p. 11.

‡ For example, in 1688, a Committee for Trade and Plantations was set up with the Earl of Shrewsbury as President for the purpose of preparing Proclamations of the accession of William and Mary in the various plantations.

little more than a phantom, though it possessed a skeleton staff and a Secretary, Mr. Blathwayt, who had considerable difficulty in collecting his meagre salary.* The Treasury was empty, and repeated orders for payment were made in vain. No doubt the neglect of administrative machinery for dealing with trade and plantations during the last years of the Stuart period was partly attributable to want of funds, partly to the general confusion of the times.

It was not until 1695 that any serious step was taken to reconstitute a Board of Trade and Plantations.

The above summary shows that in spite of occasional breaks of continuity, due to such causes as the Civil War, a special committee of the Privy Council for dealing with trade, or rather a succession of such committees, remained in existence throughout the greater part of the period from 1622 to the time of the Revolution. Up to the Restoration it had been customary to associate merchant members with Privy Councillors on these committees, and such records as we possess of their proceedings suggest not so much an even flow of business as a series of short bursts of feverish activity followed by longer periods of comparative lethargy. It

* As a Clerk of the Council dealing with trade matters he was paid an allowance of £50, increased in 1677 to £150. He was made Secretary in James II's reign. In October, 1685, application was made for payment of salaries due and monies laid out in his late Majesty's Service and in attendance on the Right Honourable the Lords Committee for Trade and Plantations from December 25th, 1682, to March 25th, 1684. — Brit. Mus. Addl. MSS. 9768, folio 3.

would, however, be quite wrong to regard these committees as altogether separate *ad hoc* bodies. There was a certain continuity of membership and of staff, and doubtless also of records, and a tradition of policy was gradually built up, which was continued by the better known Board of Trade established by William III.

Chapter II

WILLIAM III'S BOARD OF TRADE (1696-1782)

THE reign of William and Mary was marked by a determined attempt on the part of Parliament, flushed with its victory over personal rule, to bring under its immediate control all branches of the administration. To this new encroachment on the Royal prerogative the King was inflexibly opposed. In the economic and colonial spheres there was urgent need not only to make good the neglect of a past generation, and to repair the economic damage caused by William's prolonged foreign wars, but also to make systematic provision for dealing with the continual stream of new problems arising from the development and expansion of England's overseas dominions and the growth of influence of "mercantilist" theories of commercial policy. But when Parliament proposed to establish a new Board "which would have oversight of all the material resources of the Empire,"* the King was indisposed to tolerate a measure which would have withdrawn from the Crown the regulation of trade policy and of the foreign plantations. He therefore countered the move of Parliament by reviving the all but defunct Lords Commissioners for Trade and Plantations, with new and enlarged reference and

* *The Board of Trade, 1748-1782*, Basye.—Yale University Historical Publications, p. 1.

instructions and with greatly increased financial resources. In form and constitution, the body of "Lords Commissioners for promoting the trade of our Kingdom and for inspecting and improving our plantations in America and elsewhere," which was established on May 15th, 1696, did not differ materially from the Councils for Trade and Plantations constituted by Cromwell and Charles II. Like them, the new Board was a Committee of the Privy Council, consisting of two classes of members: the paid Commissioners charged with the ordinary work of the Board, and certain great officers of State who were authorised but not required to attend. Of the former class of members there were eight, of the latter six in the new Board. Like its predecessors, the Board was intended to be advisory rather than administrative, and executive force could only be given to its recommendations through the instrumentality of some other authority such as a Secretary of State.

The language, however, of the terms of reference to King William's Board, with their pointed mention of the American Colonies, implied a change of emphasis as between the twin objects of the Council—plantations and trade. This difference appears equally in the detailed instructions to the Board which are reproduced in Appendix III. The parts of the instructions which relate to trade were modelled on those of the Council of Trade of 1660, the only significant addition being a direction to consider the best mode of dealing with unemployment and "setting the poor on work," which gave rise to the interesting "Representation on the

Employment of the Poor," dated 1697, by John Locke, who was one of the first Commissioners appointed.*

The passages in the instructions relating to Foreign Plantations were, on the other hand, considerably developed. While stopping short of actual executive power, they went far beyond mere consultative functions, including not only the examination and inspection of the administration of justice and government, and a yearly report "by way of journal" on the administration of governors, but also the nomination "of persons fit to be governors, councillors, counselors-at-law or secretaries," the suggestion (as well as the examination) of Colonial legislation, and the hearing of complaints. The instructions clearly contemplated direct and regular correspondence between the Board and Colonial officials. The right of patronage and direct correspondence gave the Board considerable power, but while all kinds of Colonial business came within their purview, they never had executive power.

Experience proved that the prospect of enjoying the right of Colonial patronage attracted the wrong

* This Report (which was reprinted on p. 363 of the Board of Trade report on "Agencies and Methods for dealing with the Unemployed" (1893)) appears to have escaped the notice of Professor Basye, of Yale, who, in his remarkable volume on the Board of Trade in the Eighteenth Century, observes that "Throughout the eighty odd years of its existence the Board did not give any of its attention to the relief of the poor" (p. 20). The Minute Book of the Board of Trade for 1697 contains a number of entries with regard to the subject.—*Board of Trade Papers, Journal B.*

kind of commissioner, and immersed the Board in intrigues incompatible with its position as a central clearing house for trade questions.

At the outset the Board was thought of chiefly by Parliament in connection with trade. In the first year of its existence (October, 1696) it was ordered by the House of Commons to lay before it "the present state of trade," and the reply (as in 1624) dealt chiefly with the wool trade. Certain days were set aside for merchants and others to appear before the Board. (Thus in 1707 Tuesdays and Fridays were devoted to this purpose.) The trade subjects dealt with in the early proceedings and reports of the Board included Foreign Customs duties, the Sound dues, Commercial Treaties, and African trade, including detailed examination of the affairs of the Royal African Company.* But in spite of the amount of attention which the Board devoted to trade, it was evident even at an early date that its most absorbing duties were those that related to Colonial administration. In 1707, in answer to a reference from the Treasury, the Board observed that "the greatest part of the business entrusted to our care does regard the administration of the Government, the laws, the commerce and the security of His Majesty's plantation in America."†

At a very early date the quasi-administrative work arising out of this part of the Board's business outgrew the possibility of dealing with it through the normal procedure of a committee, and nine

* In 1726 seven meetings were devoted to African affairs.

† *Bayle*, pp. 21, 22.

months after the first meeting of the Board the work was subdivided and "departmentalised," particular Commissioners being responsible for particular classes of subjects.

In this classification it is of interest to note that "trade in general" was assigned to one member, who also dealt with "plantations . . . under proprietors and charters, and Bermudas." On the other hand, the affairs of North America and the West Indies were subdivided among three members. This was an emergency arrangement which did not become permanent, but it indicates that the volume of business relating to trade and to America respectively was at the outset roughly in the proportion of one to three. This is confirmed by the decision of the Board in 1717 to set aside three days a week for plantation business and one for trade.*

The first years of the Board, like those of several of its predecessors in the seventeenth century, were marked by great activity, but in the second quarter of the eighteenth century Walpole's policy of using all forms of patronage for the purpose of Parliamentary corruption had a deplorable effect on the personnel of the Commissioners and on their activities. While men of the calibre of Locke gave place to undistinguished successors, the most important of the Board's powers were allowed to slip from its grasp. Thus the right of nominating Colonial Governors was absorbed (even so early as 1704) by the Secretary of State† for the Southern

* *Basye*, pp. 22, 23.

† For an account of the evolution of the office of Secretary of State, see Troup, "Home Office," Chapter II.

Department, and was not resumed until the changes of 1752. The Duke of Newcastle, who became Secretary of State in 1724, succeeded in transferring most Colonial business to his Department, with little or no consultation with the Board. The Board protested, sometimes with success, sometimes unsuccessfully, against the transfer of some of its functions, but by 1730 or thereabouts practically all that remained of its rights was that of being kept informed, either before or after the event, of what passed through the office of the Secretary of State.

In 1733 the Board made a representation to the Privy Council on the subject of its declining business. According to this document the original intention was that "merchants with regard to trade and others with regard to the plantations," should apply to the Board of Trade direct, and under this system "no person was prevented from making application from fear of delay." Under the changed conditions, however, "persons with regard to trade and plantations do now originally apply to the crown; from thence they are referred to a Committee of Council, and from thence to the Board of Trade who make their report to the King in Council; so that many persons are deterred from making any application at all rather than have the trouble of attending so many different offices."* During the years 1737-1747 the paralysis of the Board's activities was greatly accentuated by the incapacity of its President, Lord Monson. Such a degree of inefficiency was reached during this decade that

* C.O. 5 : 5. *Barye*, p. 28.

letters from Colonial Governors were left unopened, or only replied to after great delay. Monson's successor, the able and energetic Earl of Halifax, revolutionised the position and restored the prestige of the Board of Trade.

Halifax was a man of great ambition, and he set himself resolutely to remove the limitations which restricted the powers and status of the Board of Trade and to convert it into an effective instrument for carrying out his ideas. He first tried to stipulate that as President he should be a third Secretary of State, and failing this that he should be a member of the Cabinet with direct access to the King on plantation matters.* Thwarted in both these proposals, he eventually succeeded in 1752 in obtaining an Order in Council reviving the Board's power to nominate and correspond with Colonial officers. It was also agreed in principle that Board of Trade papers could be sent to the King through *either* Secretary of State, in contradistinction to the practice under which the Secretary for the Southern Department had acquired a special authority over the Board. Finally, Halifax, though not a member of the Cabinet, was to be present at all meetings of Ministers which dealt with the Colonies.

It is to be noted that the enhancement of the powers of the Board of Trade under the Order of 1752 had reference solely to the plantation side of their business, which now tended more and more to overshadow the function of the Board as general supervisor of trade.

A notable piece of work (though quite alien to

* Aug., 1751. *Basye*, p. 67.

their original duties) which the Board of Trade carried out under the Halifax régime was the settlement of Nova Scotia, the capital of which still bears the name of the President who devised and pushed the scheme. Every detail of the settlement was organised by the Board of Trade, including advertising for settlers, victualling them pending embarkation, provision of surgeons, schoolmasters and clergy, and the disposition of the Parliamentary grant of £40,000 for defraying the expense. The energy with which the Board of Trade, both Commissioners and staff, carried through this unaccustomed task suggests that at this time they cannot have been the impotent and incapable body which was the object of Burke's satire thirty years later. Nevertheless a slight hitch which occurred in the course of the transaction is eloquent of the difficulties caused by the hybrid nature of the Board, half-way between an advisory and administrative body. In 1750, when the Nova Scotia transports were being prepared at top speed to take over the first settlers, the Board of Trade asked the Admiralty to give certain necessary orders, to which the Secretary replied that their Lordships would be pleased to attend to this when they should receive orders from a source which had the right to express the King's pleasure.*

While the greater part of the attention of the Board was now absorbed by plantation business it must be remembered that much of this business was economic in character. In fact the generally current conception of the relation between England

* C.O. 391 : 56, 107, quoted in *Basye*, pp. 63, 64.

and the Colonies was fundamentally economic, the ground for the maintenance and extension of plantations being their commercial value as markets. This, as it seems to us, narrow view led naturally to a jealous scrutiny of the rise of Colonial manufactures of a kind likely to compete with British industry, e.g. the establishment of a linen industry in Massachusetts.* The question of trade between continental plantations and the islands also gave the Board anxiety from time to time.† One financial question on which the Board held firmly to sound doctrine was that of inflation, by the continual issue by Colonies of paper currency. It was one of the original functions of the Board of Trade to scrutinise Colonial legislation, and they were therefore continually forced to advise disallowance of measures for the emission of bills of credit. To avoid this irksome and ungrateful task the Board strongly recommended the passage of an Act of Parliament forbidding the practice. The result was the Act (24 Geo. II C. 53) which restrained and regulated the emission of bills of credit and forbade their acceptance as legal tender in the New England Colonies. While the effectiveness of the Act was greatly reduced by the necessity of relaxation during the Seven Years' War, its passage certainly redounds to the credit of the Board of Trade. Another overseas economic question which greatly occupied the attention of the Board during the early years of the Halifax régime was the regulation of African

* C.O. 5: 918, 295, 328, quoted by Basye.

† e.g.: The movement of the West Indian planters to prohibit this trade in 1750-1752. *Basye*, p. 52.

The number of their meetings and the volume of their recorded business (other than mere routine) declined greatly between 1755 and 1760. It was in 1759 that one of the Board of Trade clerks made the famous admission that his attendance was "vastly easy and genteel."

In March, 1761, the Earl of Halifax quitted the Board of Trade over which he had continuously presided for thirteen years, to become Lord Lieutenant of Ireland. With him vanished the last hope of making the Board a real executive office. An order in Council was immediately made repealing the Order of 1752 except as regards Colonial correspondence. Horace Walpole observed that the Board was "reduced to its old insignificance."*

In the period which followed the departure of Halifax a series of "transient and embarrassed phantoms" flitted across the Board of Trade stage. In the seven years 1761-1768 there were seven Presidents—Sandys, Townshend, Shelburne, Hillsborough, Dartmouth, Hillsborough again, and then Nugent, Viscount Clare. Some of them were men of ability and distinction, and more than one of them started with ambition to recover for the Board of Trade the powers and consideration which it had enjoyed under the Halifax régime. But they were soon disillusioned, and for the most part were content to look on their office as a temporary and lucrative stage in their progress to higher preferment. "Why, my dear Charles," said Lord Bute to Townshend when he made his application, "do you consider that you are only

* H. Walpole, *Letters*, V. 35, 36.

cutting the grass under your own feet, for you will certainly have the Southern Department sooner or later; and if you add these powers to the head of the Board of Trade now you must leave them to your successor.”*

The Earl of Hillsborough was not slow to discern that the Board of Trade must either have full executive powers, or become merely an Advisory Board to report on matters referred to it. As soon as he realised that the former solution was beyond his reach he accepted wholeheartedly the latter alternative, and when he became President a second time in 1766 it was on the definite understanding that the office should be reduced to a Board of report upon reference only.†

As he explained in a letter to Grenville, this solution carried with it the corollary that “every executive business that has by degrees crept into the Board should revert to the proper office.” The result of the Order in Council of 1766, which gave effect to Hillsborough’s new policy, was somewhat amusing, and throws an interesting side light on the allegations which have been current since Burke’s denunciation of the uselessness and inefficiency of the Board. The Secretary of State, the Clerk of the Privy Council and the Treasury were disconcerted at the huge bundles of papers returned to them by the Board, and were wholly at a loss how to deal with them. Snowed under by this unwelcome business, the Council hastened to instruct the Board of Trade “to proceed in all

* *Basye*, p. 21. Add. MSS. 32,946, f. 58. Hardwick to Newcastle.

† *Basye*, p. 157.

ways as had been the previous custom," while the Treasury altogether declined to undertake the work of preparing Colonial estimates. The "Southern Department" became so congested that the long talked of third Secretary of State to undertake Colonial business became urgently needed. Hillsborough (who had resigned the Presidency of the Board to Robert Nugent immediately after destroying its powers) became the first holder of the new Secretaryship of State, and in the same year (1768) a new Commission for the Board of Trade was issued under which the Secretary of State for the Colonies became an active rather than a nominal member of the Board, and in view of his precedence acted in all respects as First Lord. Thus for the third time Hillsborough became President of the Board of Trade, and the combination of the post with that of Secretary of State was emphasised by the appointment of John Pownall, who for many years had filled with ability the post of Secretary to the Board of Trade, to hold concurrently the office of Under Secretary of State for the Colonies.

The two ancient Secretaries of State looked with great jealousy on the new-fangled office of Secretary of State for the Colonies, and even denied that it was a true Secretaryship of State, inasmuch as the duties of the office were limited to Colonial affairs and hence were not interchangeable with those of the other Secretaries. By these purists Hillsborough's position was looked on as merely that of President of the Board of Trade with Cabinet rank and seals. The important point was that unity of Colonial administration was at last attained, and

(so long as the arrangement lasted) the old duplication and friction ceased.

The Board of Trade, which thus for the time being became an adjunct of the Department of the Secretary of State for the Colonies, was already to all intents and purposes a Plantations Office. During the preceding few years only a small fraction of its attention had been occupied by general trade questions. In 1765 the Board made an attempt to revive the practice (which had been in disuse for fifty years) of obtaining Consular reports on overseas trade. But the whole scheme was soon dropped.* From time to time the Board would make special inquiries and reports by the direction of a Minister or of Parliament, e.g. as to trade relations with Leghorn, Naples, Portugal and Trieste, the condition of the silk weavers, or the establishment of free ports. And naturally a good deal of plantation business was economic in character, e.g. the reports on American Manufactures and Bills of Credit. But the Board of Trade had no part whatever in the initiation of the measures of taxation which aroused so much discontent in America. The period of eleven years (1768 to 1779) during which the Secretary of State for the Colonies presided over the Board of Trade, yields little of interest to the historian of the Board, since its individuality was practically merged in that of the controlling Department, and it had neither initiative nor the power of influencing policy.

Hillsborough held strong anti-expansionist views

* *Basye*, p. 141.

on the burning problem of the settlement of the territories west of the Alleghanies, and under his direction the Board of Trade in 1769 drew up a report adverse to the petition of the speculators of Virginia and Philadelphia for a grant of 2,400,000 acres in the new territory. But the petitioners had means of exercising pressure on the home Government which Hillsborough could not withstand; the report was rejected by the Privy Council in 1772, and Hillsborough resigned his office.*

A few trade matters, including the African boundary with the Dutch, a free port for Barbadoes, and the duties on linen, brought a certain amount of work occasionally to the Board, but it sank more and more into lethargy, and the outbreak of war with the American colonies cut off the most fruitful source of its business. In 1776 the Board was directed to report on the Government of Senegambia, and its efforts in this direction furnished material for one of the most scathing of Burke's attacks in 1780: "So much gross ignorance and partiality as were exhibited he believed was never known upon a similar occasion."†

In 1779 the connection between the Board of Trade and the Secretary of State for the Colonies was severed in order to make a place for Lord Carlisle, who had returned from a fruitless mission to America, and was rewarded by the post of President of the Board of Trade at a salary of £2,000 (i.e. double that of any of his predecessors). This scandalous piece of political jobbery was the

* *Basye*, pp. 185, 186.

† Burke's Speech on Economical Reform, March 13th, 1780.

last straw. The Board of Trade had long been obnoxious to the Rockingham Whigs as a stronghold of the "King's friends," and an organ of Royal corruption. They now seized their opportunity, and three months after the appointment of Carlisle Burke presented to the House of Commons a Bill to abolish both the Colonial Secretary and the Board of Trade.

Burke's famous description of the Board of Trade as "a sort of gently ripening hothouse where eight members of Parliament received salaries of a thousand pounds a year for a certain time, in order to mature at a proper season a claim on two thousand," contained a clear reference to the Carlisle scandal, but his brilliant indictment covered the whole history of the Board, and every sin of omission or commission that could be alleged against it, whether arising from want of competence or industry, or from mere limitation of powers and duties. As a rhetorical display Burke's speech was a dazzling success, and he was helped by the blundering defence of the Board put up by William Eden, one of its members whom we shall meet again. Another member, Edward Gibbon, listened with delight to the denunciation of his own official existence. "The Lords of Trade," he wrote in his memoirs, "blushed at their insignificance, and Mr. Eden's appeal to the 2,500 volumes of our reports served only to raise a general laugh."*

Though the clause abolishing the Board of Trade was carried in Committee, the Government rallied its supporters and the Bill was defeated. It was

* Gibbon *Memoirs*, p. 207.

not until the fall of Lord North's Ministry in 1782 that the end came. Advantage was taken of the respite to galvanise the Board of Trade into at least a semblance of activity and energy. It busied itself with a number of trade questions such as the effects of a duty on English sugar in Ireland, the Irish bounties on hemp and linen, the repeal of duties on flax, the commercial treaty with Portugal. "The Board of Trade are become important," wrote Lord St. Germaine in July, 1780. "Such fine reports you never read. Who can now say that it is a useless establishment?"* Lord Grantham, who in December, 1780, succeeded Carlisle as First Lord, forced the pace so hard that the members could not keep track of the numerous meetings. In 1781 Parliament entrusted the Board with the distribution of a bounty of £15,000 a year to encourage the growth of hemp and flax.

But all this show of revived energy could not save the Board when the Whigs succeeded North in 1782. At the same time the office of Colonial Secretary was suppressed. The dismissal of the "Lords of Trade" came on May 11th, 1782, in the form of a note from Shelburne, Secretary of State for the "Home" Department, by which the old "Southern Department" was now replaced. With this note the Board of Trade ceased to transact public business, and it transferred its energies to a final struggle with the Treasury with regard to the date to which the Commissioners' salaries should be paid. Eventually the Board was ex-

* *Basye*, p. 211, Stopford-Sackville MSS. I, 376.

tinguished by Act of Parliament on July 11th, 1782.

The duties and powers of the suppressed Board were immediately divided between the Secretary of State for the Home Department and the Privy Council. Since they were unable, as in 1766, to refuse to accept the business and throw it back on the Board of Trade, arrangements had perforce to be made to carry it on. Shelburne at once engaged Grey Elliott, the former acting Secretary of the Board of Trade, to organise a branch of the Home Department to deal with matters transferred thereto.*

While it is clear that, *pace* Edmund Burke, the Board of Trade office in the eighteenth century filled a necessary place in the machinery of Government, it is none the less certain that the management of the office by eight paid Members of Parliament was a grossly extravagant and inefficient arrangement, which fully justified Burke's denunciation. Even William Eden, whose defence of the Board in 1780 was the subject of Burke's ridicule, confessed shortly after to Lord North that "the subordinate seats . . . are actually nothing better than a sanctified sort of pension during pleasure, which help forward the idle courtiers to a creditable retirement."†

Gibbon‡ admitted that "I enjoyed many days

* Elliott began in September, 1783, with three clerks and one room at the Treasury, but within a few months he received additional staff and another room.

† *Barye*, p. 209.

‡ Gibbon *Memoirs*, pp. 207, 213 (*Barye*, p. 209).

and weeks of repose without being called from my library to the office."

The hours of attendance of clerks were certainly not severe. Nominally they were from 10 to 3 or 9 to 2, but it is evident from the records that even these hours were largely fictitious. Up to 1764 there were no examinations for clerkships, but all vacancies were filled by nominations by individual members of the Board in rotation.

In the early years of the Board of Trade the Secretaryship almost became hereditary in the family of Popple. William Popple, the first Secretary, was succeeded in 1707 by his son William (who had previously acted as his deputy), and in 1722 he in turn was succeeded by his son Alured, who was followed in 1729 by his son William. The first Secretary was appointed by the Board of Trade itself, but subsequent appointments were made by the Secretary of State. The most distinguished and capable Secretary of the Board of Trade during the period covered by this chapter was John Pownall, whose connection with the Board, first as clerk, then as solicitor, and finally as Secretary, lasted from 1741 to 1776.

It is clear from the above review that the commercial work of William III's Board of Trade was, throughout most of the period of its existence, completely overshadowed by the Plantation work. There is no sign of any progressive adaptation to the changing order of economic conditions which characterised the last half of the eighteenth century. On the contrary, the final

decadence of the old Board dates from the very year (1760) which is usually regarded as marking the beginning of the Industrial Revolution. The twenty-two years which elapsed between that date and the dismissal of the Board of Trade saw a continuous series of epoch-making events in the economic field. Watt, Arkwright and others were busy inventing a new technique for industry; Captain Cook was discovering a new world; Adam Smith was finding a new basis for commercial policy. But there is no sign that the new economic forces and ideas which were gathering strength in the outside world penetrated the "vastly genteel" atmosphere of the Board of Trade.

It remained for William Pitt to re-create the Board, to breathe into it a new spirit, and to make it an organ of liberal economic policy.

Chapter III

WILLIAM PITT'S BOARD OF TRADE

BETWEEN the disruption of William III's Board of Trade in July, 1782, and the appointment of a new Committee of Council on Trade and Plantations on March 8th, 1784, there was an interval of only twenty months. But during that period two events of momentous importance took place. The first was the signature in September, 1783, of the definite treaty of Versailles, which recognised the independence of the United States and put an end to the war between Great Britain and France. This Treaty left an aftermath of troubles with regard to the regulation of trade by land and sea between the newly recognised States and British overseas Colonies; it also imposed on Great Britain and France the obligation to conclude a commercial treaty, which was eventually fulfilled by Pitt's commercial treaty of 1786. The second outstanding event was the advent to power of a convinced disciple of Adam Smith, in the person of the younger William Pitt, who became Prime Minister in December, 1783, at the age of 24.

The establishment three months later by Order in Council, dated March 5th, 1784, of a new Committee on Trade and Plantations was probably due rather to the accumulating pressure of practical day to day necessities than to any conscious design

on the part of the new Prime Minister to resuscitate the Board of Trade and use it as the instrument of his commercial policy. It was indeed at first a makeshift body possessing neither power, initiative, staff nor funds. It had, however, the advantage over its predecessor in that it was relieved of the "top hamper" of eight paid Commissioners, and it was free from the distraction of Colonial patronage, which had ministered to the vanity and ambition of previous "Lords of Trade." But the loss of the skilled staff, which alone had maintained continuity and some degree of efficiency in the old Board, must have been a severe disability to the new Committee, as well as the dispersal among different offices of the records of the defunct Board. On the other hand, the Committee was strengthened by the presence of Charles Jenkinson (afterwards Lord Hawkesbury and the first Earl of Liverpool), who had already earned a considerable reputation for commercial knowledge in the House of Commons, and was the author of a history of commercial treaties. The president of the Committee of 1784 was Lord Sydney, but Jenkinson was throughout the most regular and influential member, and when two years later he was appointed President of the reconstituted Board, he held the office for eighteen consecutive years—much the longest period on record either before or since.

At a very early date (certainly as early as 1786) the shortened term "Board of Trade" was occasionally applied to the new Committee,* and the

* See, for example, Letter of William Eden to Pitt dated July 13th, 1786. (*Auckland's Journal and Correspondence*, Vol. I.)

familiar modern title will be generally used here, in spite of the fact that the 1784 Committee was not in any sense an organ of administration, but merely a consultative committee of the Privy Council with Clerks of the Council in attendance.

Circumstances, however, were shortly to throw on this body duties of the highest national importance, and the strain thus caused to its fragile constitution led directly to the reorganisation of 1786.

The first business which the new Board of Trade had to tackle was the tangled network of commercial problems arising from the severance of the American Colonies. The whole of the first Minute Book is occupied by the question of the trade between the West Indies and the United States, which since the peace of 1783 had been exposed to the full rigour of the Navigation Laws and the other disabilities imposed by the exclusive commercial policy of the age, except in so far as temporary relaxations were sanctioned to meet local conditions in respect of supplies and shipping.

Meanwhile preparatory negotiations had been opened in the spring of 1784 for a Commercial Treaty with France, and Richard Crawford had been dispatched to Versailles as Commissioner for this purpose. Pitt, however, was at the time engrossed by his great though abortive plan for free trade with Ireland, which he was anxious to carry through before settling commercial relations with France.

But Pitt's Irish scheme, though at first accepted by the Irish Legislature, excited such an outburst

of hostility in English manufacturing circles that he was fain to refer the question of the tariff relations between the two countries to the new Board of Trade. The reference, dated January 14th, 1785, directed the Board to consider and report on the propriety of reducing the duties levied in Great Britain on Irish products to the same rate as those levied in Ireland on similar British products. They were also to report as to the existing preferences given by duties or prohibitions on foreign goods, and whether they should be continued or altered.

The Board held fourteen meetings for the consideration of this reference, and took oral evidence from a large number of trades, including iron, cotton, woollen and worsted, pottery, corn, brewing and books. The report, settled on March 1st, recommended material changes in Pitt's proposals, but the modification of the scheme to suit British views lost the assent of the Irish interests, and the whole project had eventually to be withdrawn.

During this time the Anglo-French negotiations were making no progress. Crawford could obtain neither instructions nor answers to his letters from the Foreign Secretary (Lord Carmarthen), who had contented himself with brusquely rejecting the French proposal for most-favoured nation treatment and tariff reciprocity, without seeing the necessity of making any counter proposals. It was not until the autumn of 1785, when France had actually resorted to retaliation in order to compel the British Government to negotiate, that Pitt bestirred himself. He replaced Crawford by William Eden (the

former member and defender of the old Board of Trade), and in December, 1785, he instructed the Board to report whether the treaty ought to be based on the most-favoured nation principle, and if not what should be its basis, and what damage would result if France should declare the present treaties not in force* and fail to replace them by another.

From this point onwards the whole technical side of the treaty negotiation was in the hands of the Board of Trade. During the next six months the Board held no fewer than thirty-eight meetings on the subject, and took evidence from representatives of the principal industries, including the linen, cotton, woollen and worsted, silk, hosiery, tanning and leather, pottery, glass, cutlery, hardware, hat, paper, wine and other trades.

Eden, who was now made a member of the Board, attended all the meetings on the French treaty until his departure for Versailles in April, 1786, where he found himself in a much better position than his predecessor to pursue the negotiations. Indeed, he remarked in a letter that "the French Ministers, though they complained of our delays in bringing forward the commercial discussions, have not used the interval to collect information or to prepare themselves." So rapidly did matters now progress that within about a fortnight of his arrival in Paris, Eden sent home a *projet* of a preliminary treaty which he had provisionally settled and of which he was evidently

* There was a dispute as to whether the Commercial Convention attached to the Treaty of Utrecht still continued to be valid.

proud. Pitt, however, was much more doubtful. As so often happens in treaty negotiations, the man on the spot was increasingly anxious to close, while the Government at home insisted much against his will on fuller explanations and information. For several weeks Eden bombarded the Prime Minister and Foreign Secretary with continuous complaints of delay, which he correctly ascribed to the Board of Trade and especially to Jenkinson. The fact was that Pitt and Jenkinson were anxiously seeking for a way out of the difficulty caused by Eden's precipitancy, and for this purpose the whole of the drafts and correspondence were being subjected to minute if somewhat leisurely scrutiny with a view to a complete new set of instructions.

In one of Eden's bitter complaints to Pitt he stated that he heard from his informants that Jenkinson "is completing with great nicety of speculation a comparative scale of the advantages to be obtained by each country upon being placed on the proposed footing. . . . If the further particulars which they mentioned were *bona fide* his opinions I see no hope of concluding any treaty here which can have in any degree the concurrence of your Board of Trade." The very next day, however, the revised instructions were approved by the Board of Trade,* and after Eden had got over his first feelings of resentment he realised that they opened up the possibility of a more comprehensive and favourable negotiation than had hitherto been

* The dispatch, dated July 18th, conveying these instructions, is printed in full in the Appendix to Vol. I of Lord Auckland's *Journal and Correspondence*.

contemplated. In his letter of July 27th, sending Pitt the text of a number of new Articles, he has one parting shot at the Board of Trade, which he observes could easily complete the examination in two mornings and indeed in one if only Pitt or Hawkesbury* would read the papers before going to the meeting. The rest of the negotiations up to the signature of the Treaty in September, 1786, proceeded without serious hitch and need not be recounted here.

From what had happened, however, Pitt had learned the absolute necessity of establishing a permanent and well-equipped organisation to deal with trade matters as part of the machinery of Government. For this purpose he determined to remodel and strengthen the existing Committee of Council and to equip it with a proper staff, so as to make its proceedings less dilatory and to enable it to carry out effectively his new Commercial policy, which, it must always be remembered, extended far beyond the conclusion of a single commercial treaty.

Pitt was thoroughly informed as to the procedure of the Board, for during the spring and summer of 1786 he himself attended eleven of its meetings. In the intervals of supervising Eden's negotiations and of attending to engrossing Parliamentary business, Pitt was evidently revolving in his mind the need for strengthening the Board of Trade. Only two days after the close of the session (July 13th) and at the very crisis of the French negotiation, he wrote to his mother: "I am just now in the

* *Jenkinson's new title.*

beginning of some very necessary arrangements to put the business of Government into a form that will admit of more regularity and despatch than has prevailed in some branches of it. The first step is the appointment of a new Committee of Trade which becomes every day more and more important, at which Mr. Jenkinson is to preside with the honour of a peerage."* Pitt's new Board of Trade with Jenkinson (now Lord Hawkesbury) as President was constituted by Order in Council dated August 23rd, 1786.

Though it differed considerably from its predecessor in personnel, the really important change was not in its composition or nominal functions but in the strength and equipment of its Secretariat. The Order in Council by which it was constituted instructed the Board to propose for itself an establishment, and at the same time directed the return of all the old records which had been divided between the Secretary of State and the Privy Council Office. In pursuance of these directions Grey Elliott was recalled from the "Plantations Department" of the Secretary of State to serve the new Board, in addition to the two Clerks of the Council (Stephen Cotterill and William Fawkener) already attached to it. A modest establishment of seven clerks of various grades was also attached to the Board. In addition to the President a Vice-President (W. W. Grenville) was appointed, but for more than thirty years no member of the Board was paid. The usual procedure was to duplicate the Presidency with another paid office. Thus

* Stanhope's *Life of Pitt*, Vol. I, p. 306.

Lord Hawkesbury, who presided over the Board for many years, derived his salary from his office as Chancellor of the Duchy of Lancaster.

One noteworthy addition to the membership of the Board was the Archbishop of Canterbury, and as the Order in Council of 1786 has never been revoked His Grace continues to be a nominal member until the present day. The explanation of this apparent anomaly, which has been the subject of so much ironical comment, is that the duty of advising about Colonial bishoprics and other ecclesiastical matters remained with the Committee on Trade and Plantations, after most of its other functions with reference to Colonial appointments passed to the Secretary of State.

The minute books of the Board of Trade for 1786 and 1787 show that the creation of a Bishopric of Nova Scotia with jurisdiction over British North America occupied the whole or part of seven meetings,* at five of which the Archbishop was present. Nor was this an isolated case, for in 1784 the Committee considered the question of the building of a Parish Church in Barbadoes. The Minute books also disclose the fact that in spite of the changed relations between the Board of Trade and the Colonies, both the 1784 and the 1786 Committees were frequently consulted by the Secretary of State on Colonial matters of a general or political rather than economic character, e.g. the drafting of new instructions to

* August 23rd, November 17th and 21st, and December 5th 1786, April 26th, May 25th, August 21st, 1787.

Governors and the design of Seals for the new Colonies.*

The events of 1784-1786 have been referred to in some detail because they seem necessary to explain the reconstruction of the Board of Trade so soon after the dissolution of its predecessor, and also because the Order in Council of 1786 still continues in force, as the fundamental instrument from which the Board of Trade derives its general authority as the Department concerned with trade, though many of its present duties and powers have been expressly imposed or authorised by later Acts of Parliament. During the first years of its existence the Board resembled rather a standing Commission on Trade and Industry than an executive Department of State, but even the early minute books show that some of the duties which occupied the Committee (e.g. authorising the British registration of a ship) were rather of an administrative than of an advisory character, and were more suitable to be handled by an organised Secretariat than by periodical meetings of a Committee of Cabinet Ministers and other busy men.

The immediately important matters to which the reconstituted Board of Trade devoted itself were the completion of the Anglo-French Treaty which was signed in September, 1786, and the consequential settlement of many points of technical detail arising out of that Treaty, e.g. the mode of

* For example, the instructions to the first Governor of New South Wales in 1787 were submitted to the Board of Trade for approval.

determining and assessing rates of duty under the Treaty, and such difficult questions as drawbacks and marks of origin.

On these and other incidental subjects trade evidence was taken at a number of meetings during the autumn of 1786, and in January, 1787, the terms of a supplementary Anglo-French Convention concerning the application of the main Treaty were approved and put into force.

It has already been observed that the Treaty with France was only one item in Pitt's programme of Commercial relations and treaties, the full accomplishment of which was eventually frustrated by the war. Thus immediately after its establishment the Board had to consider the draft of a Commercial Treaty with Russia and the Russian Counterdraft; and shortly after they examined Portuguese proposals for a Commercial treaty,* Spanish observations on draft articles of a Treaty,† and the possibility of concluding a Commercial treaty with Prussia. At the same time they made inquiries from Consuls as to the flag discrimination against British shipping said to be practised in Denmark, Sweden and the East Country.‡

Besides these important questions of the readjustment of commercial relations with foreign countries, both European and American, the Board of Trade also had to deal with a good deal of miscellaneous business, e.g. the regulation of the Whale Fisheries

* September 22nd and 26th.

† October 24th.

‡ November 7th.

(in which Lord Hawkesbury personally took great interest), the establishment of Free Ports, and matters relating to the Mercantile Marine, e.g. the registration of shipping, the encouragement of apprenticeship, repatriation of seamen, and other questions which were subsequently dealt with in the Merchant Shipping Acts.

From time to time also the Board occupied itself with projects for encouraging manufactures, e.g. by the improvement of Cotton growing,* or for pushing British trade in overseas markets. In pursuance of the latter object the Board made zealous though not very successful efforts in 1792 to collect specimens of British manufactured goods to enable Lord Macartney to impress the Chinese on his forthcoming mission to Peking.† The jealousy, however, with which Manchester and other traders regarded the East India Company (of which Lord Macartney was deputy governor) made them refuse to co-operate. Such specimens as were collected presumably figured among the "tribute offerings" to which the Chinese Emperor referred in his arrogant "Mandate" to George III.

It will be clear from the above account that the resuscitated Board of Trade, though in form the successor of William III's Board, differed very widely from that body in the substance of its duties, and in the relative importance attached to its various functions. The world into which it was born was one of very rapid economic transformation. In 1784 James Watt brought out his

* See p. 149.

† Minutes, June 27th, 28th, July 27th, 28th, August 13th, 1792.

fourth and most important patent. Five years earlier Crompton had completed the invention of the Spinning Mule.

Everywhere in 1786 might be seen the emergence of new commercial and industrial problems, and the beginnings of a great change in the attitude of men's minds towards these problems, and all indications seemed to point to a rapid and continuous development of the work and responsibilities of the Government organ dealing with commercial and industrial matters in harmony with the changing spirit of the age.

But for a good many years to come all these expectations were blighted by the great European event so near at hand and so absolutely unexpected by English Statesmen. Three years after the Order in Council of 1786 the Bastille fell, and three years later England was plunged in the struggle which did not end until 1815.

With the outbreak of war the programme of Commercial negotiations and development which Pitt had contemplated when he revived the Board of Trade fell inevitably into the background, and as the struggle progressed the energies of the Board became increasingly absorbed by war problems and duties.

It may surprise those who remember the immediate cessation of all trade relations with enemy countries in August, 1914, to find the Board of Trade still advocating the prohibition of import of French goods in December, 1793, i.e. nearly a year after the beginning of the war. At an early date trade difficulties with the United States as

to rights of neutrals began to trouble the Board, and the evidence on the subject set out in the minute books for January, 1794, gives a history of French war regulations up to the time of the French Revolution.

The minute books of the period abound with questions of prize law, contraband and enemy trade, and the Board was also preoccupied with the question of relaxing the stringent conditions of the Navigation Laws as to the employment of British crews on Merchant Ships so as to enable the demands of the Navy to be met without destroying our overseas trade. So early as 1795 the Board was occupied with a long inquiry into stocks and future supplies of corn.

The seizure of each French island colony and the taking over of the Cape of Good Hope in 1796 produced a crop of fresh problems for the Board of Trade as to the regulation of trade with these areas. Nevertheless in these earlier years of the war the business of commercial negotiations was not entirely dropped. Thus in June, 1794, we find the Board examining a draft treaty with Saxony and so late as 1797 several meetings were occupied with discussing a draft treaty of Commerce with Russia. Nothing, however, came of any of these negotiations, nor under war conditions could any fruitful result be expected from the remarkable memorandum which the Board of Trade received in 1797 from the merchants of the principal manufacturing towns advocating the conclusion of Commercial treaties on the basis of unlimited "most favoured nation treatment," while leaving

the actual rates of import duty to the discretion of each contracting party.

From 1797 onwards the Board's attention was practically monopolised by questions of essential supplies and blockade. Attendance at meetings became more and more scanty, and frequently the President (who had now become the Earl of Liverpool) was the only member present. Throughout 1800 the extreme scarcity of corn and the means of increasing supplies caused great anxiety to the Board of Trade.

The conclusion in 1801 of the temporary Peace of Amiens diverted the attention of the Board of Trade to the question of relaxing or terminating emergency laws and regulations, and many pages of minutes were devoted to the detailed examination of each item of war legislation for this purpose. The interlude of peace, however, was very short, and on the resumption of hostilities the Board of Trade again became absorbed in war duties.

A cursory glance at the volumes of minutes during the remainder of the war period shows that the business was practically directed by the President, who was usually the only member present at the nominal meetings of the Board, and that their normal peace functions were practically in abeyance.

It is doubtful if the collective activities of the Board of Trade as a deliberative Committee, meeting for the transaction of business, ever really recovered from the prolonged interruption caused by the Napoleonic wars. The greater part of the business continued to be performed by the President and

Vice-President, for the latter of whom a salary was provided by an Act of 1817—ten years before the President himself received any direct payment for his services. The minute book, instead of being a live record of discussions, evidence, and decisions, gradually degenerated into a catalogue or embryo register of papers, from which it becomes impossible to follow the real proceedings and policy of the Board. Hence the history of the later departmental developments must be gathered from other sources. So late as 1845, when Mr. Gladstone was President, the tradition of weekly or semi-weekly meetings of the Board was kept up, but no one attended—probably no one was summoned—except the President and Vice-President, and the minutes merely recorded the President's decisions as the result of their consultations.

Mr. Gladstone was always a great upholder of traditional procedure, but his successors were less punctilious, and during the next few years Board meetings became purely fictitious, until in 1853, under the régime of Edward Cardwell (afterwards Lord Cardwell) the minute book was finally discontinued, and a system of departmental registration of papers was introduced in its place.

By this date considerable progress had already been made in the specialisation of the functions of the Board of Trade, the Branches dealing with Statistics, Railways and Merchant Shipping having been separated successively from the parent stem to form separate Departments, while the traditions of the old Consultative Board were carried on by the Department variously termed "General" or

“Commercial.” The specialisation and development of administrative functions was naturally accompanied by a great increase in the magnitude and importance of the Secretariat, and in spite of the nominal retention of the title and constitution of a Board, the whole organisation became gradually assimilated to that of other great Departments of State, under the control of a Ministerial President assisted by an organised and specialised Secretariat.

So long as the main duties of the Board of Trade remained consultative and its old Committee constitution survived, the growth of the Secretariat was slow. Beginning with a staff of seven clerks in 1786, it was more than half a century before the establishment grew to thirty persons. Between 1840 and 1853, the year when the Board of Trade minute book ceased to be kept, and the “Board” as a collective entity became definitely obsolete, the establishment rose from thirty to sixty-six. From this time forward the expansion of the Secretariat proceeded at a continually accelerated rate, as the new departmental duties became ever more numerous and exacting. In 1786 the chief permanent officer was entitled “Chief Clerk” and received a salary of £500 a year. This was George Chalmers, who held the post for nearly thirty-nine years. His successor Thomas Lack was entitled “Assistant Secretary,” but in 1829 James Deacon Hume, who had been transferred from the Customs to the Board of Trade in Huskisson’s time, became “Joint Assistant Secretary” with Lack. In 1840 the title was changed to “Joint Secretaries” and the joint system continued up to 1867, when

Thomas Farrer (afterwards Lord Farrer) became the first sole Permanent Secretary. In the same year a Parliamentary Secretary was appointed in place of the former Vice-President.*

The Vice-President's position had long been ambiguous, and discussions on his exact relationship to the President and to the Secretariat formed the subject of numerous departmental minutes and memoranda. He was not expressly subordinated to the President but took his place when absent and at other times presumably possessed the ordinary powers of a member of the Board. The real cause of his anomalous position was probably the fact that he only came into prominence as a salaried member when the collective functions of the Board were fast becoming obsolete, and he was never properly fitted into the scheme of Departmental organisation which was gradually taking its place.

In the following chapters an attempt is made to describe separately the origin, history and present working of each of the main branches of activity of the Board of Trade in relation to the world of commerce, industry and shipping, together with the corresponding changes and growth of the specialised Departments into which the Board of Trade became subdivided in order to perform these various functions.

* For more recent changes in the organisation of the Secretariat, see p. 238.

Chapter IV

THE BOARD OF TRADE AND COMMERCE

THE duty of the Board of Trade to foster British commerce is derived from no Act of Parliament, but was an original function of the earliest Committee on Trade, from which it descended through successive committees and councils to the present Board. In the sketch of early Board of Trade history which has been given in previous chapters, it has been made clear that from the beginning the main concerns of the Board (apart from its functions with regard to Foreign Plantations) were the advancement of trade, manufacture and navigation, the protection of British trade interests in overseas countries by means of diplomatic representations or commercial treaties, the investigation of complaints by merchants and manufacturers, and the collection of statistical and other information with regard to trade matters. Throughout the vicissitudes of the early Committees on Trade and Plantations, these basic functions remained unchanged, though their effective performance was often sacrificed to the more pressing (or perhaps the more attractive) duties of regulating the economic and political development of our infant colonies or administering the Navigation Laws.

When William III's Board of Trade was abolished in 1782, and its duties distributed between the

Secretary of State and the Privy Council, the general functions of the Board as an advisory authority on Trade, Industry and Commercial relations passed to the new Committee of Council set up in 1784, and thence to the Board of Trade of 1786, which took a leading part in the negotiations of Pitt's treaty of Commerce with France and in the negotiations with other countries which followed. These negotiations have been described in a previous chapter.*

At that time the Board of Trade were concerned not only with tariff negotiations with other countries but with the British tariff system itself, and in particular with questions arising out of the administration of successive Corn Laws, and with the system of preferential trade with British Colonies which was intimately bound up with the policy of the Navigation Acts.

The first great effort to liberate trade from outworn restrictions was made by Huskisson when President of the Board of Trade (1823-1827), and in order to grapple with the enormous task of consolidating and reducing British Customs duties Huskisson invoked the aid of Mr. Deacon Hume, a Surveyor of Customs, who subsequently became Joint Assistant Secretary of the Board of Trade. Huskisson's reductions of tariff and partial abolition of the navigation laws were both based on the principle of reciprocity, the power of retaliation by higher duties or restrictions being specifically retained to be employed against countries which did not make corresponding concessions in favour of

* See p. 38 ff.

British trade. The main burden of the consequent negotiations fell upon the Board of Trade as adviser of the Foreign Office. When in 1842 Sir Robert Peel's Government carried out the second great revision of the tariff, the detailed work was mainly performed by the Board of Trade, of which Mr. Gladstone was then the Vice-President. He afterwards said that of all the four tariff revisions with which he had been concerned, this, the first, was six times as laborious as the other three put together. Of the twelve hundred articles then dutiable no less than seven hundred and fifty were affected by the reform. At this time Huskisson's policy of reciprocity still held the field, and Mr. Gladstone has described the anxious though mostly fruitless endeavours that were made between 1841 and 1844 to make tariff treaties with foreign countries (including France, Prussia and Portugal) in order to obtain some specific compensation for the reductions of our own tariff. "We failed in every case. I doubt whether we advanced the cause of free trade by a single inch."* In a Memorandum on the business of the Board of Trade which Mr. Gladstone left for his successor when in February, 1845, he resigned the Presidency of the Board, he described exactly the situation of each of the pending negotiations at the date of his retirement.† The real fact was that foreign protectionist countries were as a rule too well informed as to the momentous change of commercial policy taking place in England to be willing to give

* Morley's *Life of Gladstone*, Vol. I, p. 267.

† See Appendix V.

compensation for the reductions of British duty on their products which they saw to be inevitable in any case.

The tariff revision of 1842 was followed by another, much less laborious in character, in 1845, which was the last in which the Board of Trade took a leading part.

It was inevitable that the replacement of a tariff for protection by a tariff for revenue should be accompanied by a transference of the initiative in tariff matters from the Board of Trade to the Treasury, and in fact the next two tariff revisions (in 1853 and 1860) were accomplished by Mr. Gladstone as Chancellor of the Exchequer. Concurrently with the change of relations between the Board of Trade and the Treasury in respect of tariff policy there came about a more gradual and less observed shifting of the relations between the Board of Trade and the Foreign Office in respect of questions of foreign commerce.

This was due to the cumulative effect of several distinct causes. In the first place the policy of reciprocity in tariff matters as then understood was gradually losing favour. As the British tariff became less and less protective in character it offered fewer and fewer opportunities for the negotiation of tariff bargains with other States, while the trend of economic opinion both in political and industrial circles became increasingly hostile to a course of procedure which made British tariff policy contingent on that of other countries. No doubt our continuous failure (noted by Mr. Gladstone) to obtain reciprocal concessions from foreign States

was a powerful factor in discrediting the method of reciprocity at a time when the current of general opinion was running strongly in the direction of freer trade.

With the practical cessation of tariff negotiations (until their momentary revival under exceptional conditions by Mr. Cobden's treaty of 1860) the need for the Foreign Office to rely on the guidance of the Board of Trade in all matters of commercial relations with foreign States became less urgent, or was at least not so obvious. Meanwhile the Board of Trade were becoming aware that the free trade reform of the British tariff and the transfer of its control to the Treasury had incidentally deprived the Department of one of its chief means of continuous contact with commercial and industrial opinion and conditions. The officials in charge of the Commercial Department found themselves more and more embarrassed by the difficulty of giving sound and useful advice on commercial questions referred to them by the Foreign Office or other Departments of State, in the absence either of direct communication with British Diplomatic and Consular Officers abroad or of the more or less continuous contact with British industry and commerce which had been ensured by their former tariff responsibilities. Lastly, it is to be remembered that from 1840 onwards the energies and interest of the higher Board of Trade staff were mainly absorbed by the rapid development of new departments within the Board of Trade charged under Acts of Parliament with novel and difficult executive duties.

The year that marks most definitely the beginning of the new trend of relations between the Board of Trade and other Departments was 1853, the year of the virtual completion of the work of tariff reform by Mr. Gladstone's budget. It was in this year that Mr. Cardwell became President of the Board of Trade, and during his two years' tenure of that office he was very largely absorbed by the urgent problems of merchant shipping and railways.* What had formerly been the main function of the Board of Trade, viz. the giving of advice to the Government or to other Departments of State on problems of trade and industry, was frankly regarded by Mr. Cardwell as a survival from past times, which under the altered conditions of British commercial policy had become an anachronism. Commercial policy under free trade conditions seemed to him so simple a matter that there was no reason why the Foreign Office should consult the Board of Trade thereon, or why an important branch of the Board of Trade should be occupied with the subject. To those who held these views the future of the Board of Trade lay in the growth not of its commercial functions, but of the newer executive departments dealing with shipping, railways and other specific matters in pursuance of recent Acts of Parliament.

It is true that the commercial community were far from accepting the view that there was no longer need for a Government Department to concern itself specially with commerce. But there is no doubt that in the decade which

* See pp. 107 and 133.

preceded the Select Committee of 1864* there was a change in the relations between the Board of Trade and Foreign Office, in the sense that the Board took a decidedly less active part in foreign commercial negotiations as compared with the days when Lord Palmerston was wont to refer foreign commercial negotiators to the Board of Trade.

The one outstanding exception to the new practice was the "Cobden Treaty" with France in 1860. It would lead us far beyond the scope of the present book to describe in detail the genesis and history of that extraordinary transaction. It suffices to say that, following a visit to England of the French free trade economist, Michel Chevalier, the British Cabinet authorised Richard Cobden to carry on informal conversations, afterwards developed into formal negotiations, direct with the French Emperor, for the conclusion of a commercial treaty between the two countries. From the first the major negotiation was something of a sham fight. On the one side was the protagonist of free trade doctrine in England, anxious to find some means of sweeping away all that remained of British import duties on manufactures. On the other side was an autocrat with free trade proclivities, but in fear of a trading community still strongly protectionist, and anxious to conclude a bargain which would furnish an excuse for relaxing the prohibitory régime applied to foreign imports.

* Select Committee on the arrangement between the Foreign Office and the Board of Trade in reference to the trade with Foreign Nations. See especially the evidence of Louis Mallet.

Between two such negotiators it was not long before the outline of a commercial treaty was settled, but this treaty was only a skeleton, requiring to be completed by a tariff schedule still to be arranged. For this, the most laborious part of the negotiation, commissioners were appointed on each side. On the British side were Louis Mallet of the Commercial Department of the Board of Trade, and Mr. Ogilvie of the Customs, and so nervous was Cobden lest his work should be spoilt by the nomination of an unsuitable chairman that he accepted the post of chairman himself. From this time until the conclusion of the negotiation the British Commission communicated direct with the Board of Trade, to whom also the mercantile community at home addressed their representations. The Ambassador in Paris (Lord Cowley) was of course kept informed, and was nominally associated with the proceedings, but in fact they were carried on by Cobden and his fellow-commissioners throughout. At the last moment there was a momentary hitch owing to the insistence of the Foreign Office on holding up the agreed tariff schedule until it could be examined afresh in London. One is forcibly reminded of the similar hitch in Eden's negotiation of Pitt's treaty of 1786, and the anxiety and exasperation caused by the delay to the "man on the spot" were accurately repeated in the case of Cobden. In the end the demand was waived, and this brilliantly successful though altogether exceptional negotiation was brought to a triumphant close.

Cobden's great personal contribution to the art

of commercial negotiation, in addition to his knowledge and patience, was his practical grasp of the fact that the principal object to be kept in view in negotiating with a protectionist State was not to convert the government (some of whose members were as likely as not already converted) but to supply them with the means of overcoming the resistance of their own industrialists. It was on this ground that Cobden was a convinced believer, in opposition to many of his own disciples at home, in the method of commercial treaties, which in his view offered the only practicable means of making a breach in foreign trade barriers. The argument is of course only valid on the assumption that the foreign Government is more "advanced" in the direction of free trade than the mass of the commercial community, but this assumption was generally true in Continental Europe in the 'sixties, and Cobden believed that at the cost of a very small sacrifice of duties (a sacrifice which he probably regarded as advantageous in itself) Great Britain had the power, if it used its opportunity aright, to effect a very great enlargement of the international area of free trade.

In the course of the French tariff negotiations of 1860 Louis Mallet caught the contagion of his chief's beliefs and hopes, and he set himself with enthusiasm to give practical effect to his methods at the Board of Trade. For this there seemed to be abundant opportunity, for the signature of the Anglo-French treaty led, as its necessary consequence, to a whole series of European commercial negotiations, resulting, according to Mallet's

calculations, in the eventual conclusion of no less than fifty or sixty fresh commercial treaties. In these European negotiations it was Cobden's desire that Great Britain should take a hand, if only to watch the interests of British trade and to endeavour to safeguard them if threatened by agreements between third parties. Nor did this project seem wholly chimerical, for France actually offered to associate a British representative with the Franco-Belgian negotiations which were about to begin. However, the opportunity was not taken, and Mallet, who was still a subordinate in his own Department, soon began to discover that the policy of commercial negotiation of which he had become a whole-hearted advocate was by no means viewed with the same enthusiasm by the British Government or even by the chiefs of his own Office. By the more rigid doctrinaires Cobden was regarded as having lapsed from grace by associating himself with a "reciprocity" treaty, and they failed to see the difference between a treaty whose tariff advantages became immediately available for the world through the "most-favoured nation" article, and the old-fashioned exclusive treaties of reciprocity by which these advantages had been limited to the two contracting States. The missionary zeal of Cobden to spread free trade on the Continent was regarded with coldness by theorists whose tendency was towards a policy of isolation, and whose maxim was expressed by the slogan "take care of the imports and the exports will take care of themselves." More practical objections, urged especially by the Treasury, against

further commercial negotiations, were that as the Budget of 1860 had removed all the remaining duties on manufactures, we had no more reductions to offer except such as would impair the revenue and tie unduly the hands of the Chancellor of the Exchequer.

Thus in the negotiations between France and Belgium, Italy and the Zollverein which took place in 1861 and following years, no watching brief was held by Great Britain, and though under pressure from British commercial interests Louis Mallet was eventually deputed to visit Brussels, Berlin and Turin, he himself has expressed the view that the step was in each case taken too late to be of practical service.

The commercial interests, however, were in no mood, so soon after the triumphs of 1860, to accept tamely the negative attitude either of doctrinaire economists or of the Treasury. Probably they expected impossibilities, but in any case they were so dissatisfied with what appeared to them the official neglect of their representations that an explosion of indignation especially on the part of the traders of Bradford led to the appointment in 1864 of an exceptionally strong Select Committee "to inquire into the arrangement between the Foreign Office and the Board of Trade with reference to the trade with foreign nations." Mr. W. E. Forster was Chairman and the membership of the Committee included Richard Cobden, Mr. Milner Gibson (then President of the Board of Trade) and Mr. Henley, an ex-President. The witnesses examined included the

Foreign Secretary (the Earl of Malmesbury) and two of his predecessors (Earl Russell and the Earl of Clarendon), the President of the Board of Trade and an ex-President (Mr. Cardwell), besides a number of officers of the Foreign Office and Board of Trade and representatives of the commercial community. The evidence is thus a mine of information as to the situation at the time, but the report itself was inconclusive, the Committee oscillating between the two possible solutions of the problem submitted to them : (1) that the whole responsibility for commercial negotiations should be definitely centred in the Foreign Office, a Commercial Department being constituted within that Office, and the Commercial Department of the Board of Trade being abolished or at least relieved of all responsibility for foreign trade ; (2) that the Board of Trade should be placed in direct communication with H.M. Ministers and Consuls in Foreign Countries and thus enabled to gather for themselves the information necessary to enable them to discharge their responsibilities in respect of commercial negotiations.

Curiously enough it was Board of Trade witnesses (e.g. Mr. Cardwell) that urged the former course, while the Foreign Office representatives opposed it on the ground *inter alia* that the constitution of a Commercial Department within the Foreign Office would upset its territorial organisation.

The Board of Trade official with the greatest experience of the existing system (i.e. Louis Mallet) was quite clear that as things stood the position of the Board of Trade had become impossible, since they

were expected to advise on matters on which they had no sufficient means of informing themselves. Either, he urged, the Board of Trade must have more powers or their advisory functions must be abolished. The eventual recommendations of the Committee (which was evidently sharply divided in opinion) amounted to a rather half-hearted compromise. They regarded the proposed establishment of a Commercial Department within the Foreign Office as "a change which appears reasonable," but they considered that "there is much force in the argument that it would not serve the interests of our foreign commerce to leave them without the support and protection of a special Department in the Government." "Upon the supposition then that the Foreign Office continue to consult the Board of Trade" on commercial subjects they recommended "That the Board of Trade be put into direct communication with the members of the Diplomatic and Consular Services, and that such communication be carried on through the Foreign Office with such provisions as shall prevent collision," and also that "an officer or officers be appointed in the Foreign Office to conduct its correspondence with the Board of Trade." The last mentioned recommendation, contained the germ of the proposed Commercial Department within the Foreign Office.

The few years between the Report of 1864 and the end of the decade were by no means barren of commercial negotiations, including the prolonged discussions lasting from 1865 to 1867 which preceded the conclusion of a commercial treaty with Austria.

In these negotiations Louis Mallet and his Department took an important part, and he was one of the plenipotentiaries by whom the resulting treaty was signed. Another treaty of this period was that of 1868 with the Zollverein.

All this activity, however, came to an abrupt end in 1870. Looking backwards it may well be doubted if the policy of extending Free Trade by commercial treaties could possibly have survived the protectionist reaction in Europe which followed the Franco-German War, even if it had received the whole-hearted support of the British Government and had been pressed with the full energy and resource of Richard Cobden himself. But Cobden was now dead and his able disciple had not fully succeeded in carrying with him his own official chiefs, to say nothing of the Chancellor of the Exchequer. The crisis came in 1870 when the Board of Trade discussed with the Treasury the question of a treaty with Portugal, and eventually with Spain, based on a modification of the British duties on wine. The question had been previously raised in 1866 and negatived on account of the danger to the spirit duties. In 1870, however, Robert Lowe, the Chancellor of the Exchequer, did not confine himself to this practical ground, but in a private letter to John Bright (then President of the Board of Trade) he declared peremptorily that never again should the tariff be made a subject of negotiation with a foreign power. On which Mallet truly observed in an official minute that Mr. Lowe's*

* Lowe's letter to John Bright has not been published and its contents are only inferred from Louis Mallet's minute (see *Life of Sir Louis Mallet*, by Sir Bernard Mallet, p. 83, 84).

aspiration "could not be realised except for a power which adopts a policy of isolation."

The next year, 1871, furnished further proof of the attitude of the British Government. Bismarck put out a feeler through an agent to ascertain the possibility of concluding a commercial treaty with Great Britain of a kind which "would enable the German Government to obtain the means of reforming the German tariff and of preventing reaction." It was explained that for this purpose a very trifling tariff concession (e.g. some rearrangement of the tobacco duties) would suffice. No one can say how far this nebulous suggestion was serious, or whether it contained the germ of a fruitful negotiation, for it had no chance of consideration either with Lowe or Gladstone, and John Bright had by this time left the Cabinet.*

No further demonstration was necessary to convince Sir Louis Mallet that his position had become untenable. In a very frank and strongly worded memorandum to the President of the Board of Trade dated December, 1871, he expressed the view that the usefulness of the Commercial Department of which he was now the official head had practically disappeared. It consisted in effect of nothing but an Assistant Secretary, and four clerks, none of whom had two full days' work a week.

Already the Foreign Office, acting on the recommendation of the 1864 Committee, had created a Commercial Department within itself. To this Department, on Sir Louis Mallet's strong recommendation, the consultative business of the Com-

* *Life of Sir Louis Mallet*, pp. 90-93.

mercial Department of the Board of Trade was transferred, while he himself retired from a post which (to use his own words) "no honourable man who was capable of distinguishing between real work and false work could under present circumstances voluntarily retain."*

Thus, in 1872 the Commercial Department disappeared as a separate entity. The Board of Trade Commercial Library was transferred to the Foreign Office, where it remained until 1907, when it was returned to the Board of Trade, while the remains of the old consultative business of the Board of Trade were amalgamated with the Statistical Department, with the title of "Statistical and Commercial Department."

The eclipse of the Commercial Department lasted exactly ten years. There is no doubt that the intention of the able men who decreed the transfer of its functions to the Foreign Office was to wind up the historic Board of Trade as an organ of commercial advice, and to develop the office as a purely administrative and executive body carrying out functions imposed by Acts of Parliament. And this would probably have been the result of the change, but for the persistence of two essential branches of work which it was impossible either to discontinue or to transfer. These were the work of watching and recording changes in foreign and colonial tariffs and of collecting and digesting the statistics of trade. The experience of the eighteenth century, when more than one reformer had attempted to distribute the duties of the

* *Ibid.* p. 100.

old Board of Trade among other Departments, was repeated. A nucleus of necessary work remained behind, which no other Department would accept, and round this nucleus the commercial functions of the Board soon began to grow anew. In 1880 we are told that "this business has within the last two or three years shown a decided tendency to increase." It was, in fact, inevitable that the Foreign Office, whatever its internal organisation, should continue to lean for purposes of commercial negotiations and relations generally on the Department which alone possessed the essential data relating to trade and tariff changes. In 1882 the Commercial Department was once more recognised as the official adviser of the Foreign Office on commercial policy.

In performing this function, however, the Board of Trade still suffered from defective means of contact with the commercial and industrial world. It was due to Mr. Chamberlain, then President of the Board, that the officials of the Department were first encouraged to form close ties with such recognised representative commercial bodies as Chambers of Commerce. Four years later in 1886 under the Presidency of Mr. Mundella, two important steps were taken which resulted incidentally in the establishment of new contacts between the Board of Trade and the commercial and industrial community. The first was the issue of the *Board of Trade Journal*; the second was the beginning of the systematic collection of Labour Statistics.

The *Board of Trade Journal*, published first

monthly and since 1900 weekly, supplied traders regularly for the first time with a vast amount of information derived mainly from official sources on the movements of overseas trade, tariff changes, etc., together with extracts from consular reports on the trade of various countries, summaries of periodic returns and information as to openings for British trade and enterprise abroad. The establishment of this Journal may be said to be the germ of the development of the system of Commercial Intelligence which is described below.

The story of the origin and growth of the work of collecting labour statistics and of the further developments of the relations between the Board of Trade and social questions up to the time of the formation of a separate Ministry of Labour is briefly traced in the chapters on *Industry* and *Statistics* (see pp. 182 and 218). For the present purpose we need only mention two points. In the first place the creation of the machinery necessary for the collection of information on industrial relations incidentally multiplied the points of contact between the Department and the leaders of trade and industry, and thus served *pro tanto* to strengthen the Board of Trade as the official organ of commercial and industrial policy. In the second place the formation at the beginning of 1893 of a separate Labour Branch within the composite Department thenceforward known as the "Commercial Labour and Statistical Department," gave a unique status and importance to this Department in relation to the Board of Trade as a whole. The rank of the head of the tripartite Department

was raised to that of Comptroller-General, while among its three constituent branches the head of the Commercial Department proper enjoyed a certain precedence with the title of Deputy Comptroller-General. This form of composite organisation lasted until 1911, when it was broken down by the combined effect of the great development of the administrative duties of the Labour Department, of the burden thrown on the Statistical Department by its new duties under the Census of Production Act, 1906, and of the growth of an organised system of Commercial Intelligence within the Commercial Department itself.

Accordingly, in 1911 the Commercial Labour and Statistical Department was dissolved, and the Commercial Department proper reverted to the position which it had previously occupied as a separate Department under an Assistant Secretary. The Statistical Department with which since 1872 the Commercial Department had been combined, became once more a separate Department in 1918. The third member of the triad, viz. the Labour Department whose diverse and growing activities could not be fitted into the framework of a single Department, underwent a series of transformations and sub-divisions, which are described on p. 183, until in 1917 the Ministry of Labour was constituted to take over its work.

We must now return to trace the development of the work of the revived Commercial Department after 1882, when it regained its position as the recognised organ of Commercial policy.

The drift back of commercial questions to the

Board of Trade and the gradual reconstitution of the Commercial Department after 1882 was not accompanied by any renewal of the old controversy as to the respective functions of the Board of Trade and Foreign Office in relation to commercial negotiations. This question of principle had in effect settled itself on the only possible lines, viz. that the Foreign Office and its representatives in foreign countries should be responsible for the conduct of all negotiations, while depending on the Board of Trade for guidance and information on commercial conditions and policy. In theory this was always the accepted position among those who best understood the intricacies of inter-departmental relations, except possibly for a few years following 1871. The idea once entertained by some members of the commercial community that responsibility for commercial negotiations might be withdrawn from the Foreign Office and vested in the Board of Trade was always recognised as inadmissible in principle and unworkable in practice.

If in recent years the Foreign Office has come to depend more and more on the Board of Trade, it is because it has found it possible to an increasing degree to satisfy its requirements from this source. In particular the development of an organised system of commercial intelligence which is described below, brought the Board of Trade into much closer touch with the commercial and industrial world.

A powerful stimulus towards the improvement of the means of obtaining commercial information was

given by the Committee set up in 1890 to watch the cycle of Commercial negotiations on the Continent, which resulted in the so called "Caprivi" Treaties of 1891-1894. Great Britain did not participate directly in these complicated negotiations, but the sound tradition that British trade interests can only be safeguarded by perpetual and intelligent vigilance was sufficiently strong in the Board of Trade to induce them to establish a "Trade and Treaties Committee," composed partly of commercial and partly of official members, under the chairmanship of Mr. Mundella, a former President of the Board. This Committee made a series of Reports, some for publication and some confidential, dealing with tariff and commercial relations with France, Central European States, Spain and certain other countries. However great or small may have been the direct influence of the work of this Committee in safeguarding the British trade interests affected by the European negotiations, there is no doubt that the experience gained by its members had a decisive effect in launching a new movement for the improvement of commercial intelligence. Elaborate inquiries through Diplomatic and Consular Officers as to the position of British trade and the means of obtaining commercial information were followed in 1897 by the appointment by the Board of Trade of a "Commercial Intelligence Committee," and the report of this Committee resulted in the establishment, within the Commercial Department, of a permanent "Commercial Intelligence Branch," occupied solely with meeting the need disclosed by the inquiry. This Branch was situated originally

in Whitehall, but in 1900 it was removed to Basinghall Street in the City.

Meanwhile the increasing public anxiety as to the future competitive position of British trade, and the growing strength of the movement for "tariff reform," led to a greatly enhanced demand for the better and more complete collection through official channels of information bearing on trade and economic conditions. The main responsibility, however, for meeting this demand fell not on the new Commercial Intelligence branch, but on the Statistical, Labour and Tariff Sections of the composite Department. The inquiries which resulted in the so-called "Fiscal Blue Books" of 1903 and 1904, and the subsequent reports on comparative economic conditions in different countries, are described in the chapter which deals with Statistics.*

The programme of the Commercial Intelligence Branch was not only to act as a clearing house for official information, but to initiate inquiries in overseas markets as to openings for trade and similar matters, and to communicate the results to the commercial public.

From the outset it was plain that the success of the new departure depended essentially on the development of a corresponding British commercial service in overseas countries, through which the new Branch could direct its inquiries, and which of its own initiative could furnish it with material of interest to British trade. But in 1900 such British commercial services were entirely non-existent in the

* See p. 220.

overseas territories of the Empire, and specialised services of this kind only existed in the most rudimentary form in the principal foreign countries. During the last few years of the nineteenth century British traders who were feeling the increasing pressure of foreign competition in British Empire markets, complained strongly of the handicap to which they were subject through the absence of any official machinery for obtaining from those markets commercial information comparable with that supplied from official sources to their German and Belgian competitors. The Commercial Intelligence Committee of 1897 referred cautiously to the subject, but there was then a feeling voiced by the Colonial Office, which subsequent experience has shown to be unfounded, that the British Dominions (to use their modern title) would resent the appointment by the Mother Country of permanent officers stationed in their midst to promote the interest of United Kingdom trade. Nothing therefore was done until the Colonial Conference of 1907 except to survey the principal Dominion markets by a series of temporary commercial missions,* to invite the various Dominion and Colonial Governments to designate officers to whom application for information might be addressed by the new Commercial Intelligence Department or by British traders, and to supply some of the defects of this system by nominating a certain number of "Imperial trade correspondents" paid by fees.

* South Africa, 1903; Australia and New Zealand, 1905; Canada, 1906.

In 1907 all reason for timidity was swept away by the adoption by the Colonial Conference of a resolution proposed by the Prime Minister of New Zealand in favour of the representation of British trade in the Dominions by permanent British Officers. In consequence four "Trade Commissioners" were appointed in 1908 for the four great Dominions. The Royal Commission on Dominions trade appointed as the result of the Imperial Conference of 1911 investigated very thoroughly the work of the Trade Commissioners, and in their final report issued in 1917 they recommended a large extension of the system. Accordingly, immediately after the war, and following on the inquiries referred to below as to the whole system of commercial intelligence, a largely increased Trade Commissioner Service was instituted, the Commissioners being divided into grades, with salaries and allowances, intended to bear an appropriate relation to the organisation and emoluments of the corresponding members of the Commercial Diplomatic Service. Including India, the West Indies, and East Africa, which were now brought within the scope of the Trade Commissioner Service, there are at present thirteen Trade Commissioners.

Broadly speaking, the duties of the Trade Commissioner are to assist British trade both by answering inquiries from traders or from the parent Department, by helping representatives of British trade who visit the Empire markets, by watching local legislation and keeping in touch with industrial and commercial conditions and by making prompt reports on any subjects likely to interest British

traders, besides an annual review of commercial conditions in the district. For these purposes not only have the Commissioners to travel within their districts, but it is found essential that they should pay periodic visits to the United Kingdom with a view of renewing and strengthening their contact with the British commercial and industrial world. It need hardly be added that a competent and tactful Trade Commissioner usually finds opportunity for promoting British trade in other ways, e.g. by informal representations to the Dominion Authorities as to traders' grievances. The Imperial Conference of 1917 adopted a resolution as the result of which a considerable amount of district co-operation now takes place between the British Trade Commissioner Service and the corresponding services established by certain of the Dominions. Where, for example, a Dominion does not happen to be directly represented in another part of the Empire, there is an understanding that it may make use of H.M. Trade Commissioners. Under this arrangement, which is reciprocal, India makes full use of H.M. Trade Commissioners, New Zealand uses them in South Africa and Canada. Canada at one time used them in India, while H.M. Government uses the services of the Canadian Commissioner in Jamaica. While these particular arrangements will probably tend to diminish in practical importance as the Dominions increase their own commercial intelligence services, they have been of undoubted value during the transitional period, and they offer an excellent though little known example of the possibilities of useful inter-imperial co-operation.

The early developments of the Commercial, Diplomatic and Consular Service belong to the history of the Foreign Office rather than of the Board of Trade, and are therefore only very lightly referred to here, so as to complete the picture of the commercial intelligence system. The first step was the appointment of Sir Joseph Crowe in 1880 as Commercial Attaché for Europe with headquarters in Paris. By slow degrees the number of commercial attachés was increased, until in 1906 they numbered seven, including two for the Far East and one for the Near East. To meet the increasing need for keeping these officers in close and continuous touch with industrial and commercial conditions in the United Kingdom and the practical needs of British trade, it was arranged that those whose districts were readily accessible from London should have London for their headquarters and divide their time between work in the Commercial Departments of the Foreign Office and Board of Trade, and visits to their districts for purposes of special investigations. Meanwhile the current commercial business of the Embassy or Legation, instead of devolving on the Commercial Attaché, was assigned to a specially selected member of the diplomatic staff, under the title of "Commercial Secretary." This system was obviously incapable of application to the case of far distant countries, but it was stipulated that the officers occupying such posts should travel more freely and visit the United Kingdom from time to time. The whole scheme which was the result of inquiry by an inter-departmental Committee in 1906, was directed towards ensuring (1) that Com-

mercial Attachés should not be deflected from their proper work by being occupied with the routine commercial work of the Embassies and Legations, (2) that members of the ordinary diplomatic staff should, when juniors, have an opportunity of gaining an insight into the commercial work with which some of them would have eventually to deal as heads of missions, (3) that Commercial Attachés should not be isolated but should be kept in close contact with the realities of British trade and with the commercial work of the Departments at home. It was also arranged that the commercial instructions both for Commercial Attachés and for Consular Officers should be settled and revised in concert between the Foreign Office and the Board of Trade, while the Commercial Intelligence Branch of the Board of Trade undertook responsibility for the commercial editing of Consular Reports. In addition the whole working of the Commercial Intelligence scheme was supervised by an Advisory Committee on Commercial Intelligence, representing the various Departments interested as well as the commercial community. This Committee which was first created in 1900 was also responsible for organising special commercial missions of inquiry in various countries.

It will be seen that the system of inter-departmental co-ordination and co-operation in matters relating to Commercial Intelligence was very thorough and complete, and as between the Departments it worked fairly smoothly. Nevertheless, regarded as a comprehensive scheme for the assistance of British commerce, the system had obvious defects.

In the first place, traders disliked having to deal with more than one Department, and they did not always realise the actual closeness of inter-departmental relations. Just as half a century earlier the commercial public led by Richard Cobden had demanded that an end should be put to the dual participation by the Foreign Office and Board of Trade in commercial treaty negotiations, so now they demanded that the whole responsibility for commercial intelligence, whether in this country or abroad, should be vested in a single Department. Nor was the demand wholly baseless. It is true that so far as inter-departmental arrangements could effect it, the causes of administrative friction, overlapping and circumlocution had been removed. But the fact remained that the Department responsible for meeting the demands of British traders had no control over the selection, appointment, promotion, or geographical location of the officers of the Diplomatic and Consular Services on whom it had to rely for obtaining the necessary information, while on the other hand the Department to which these officers were attached and to which they looked for their future career had little or no say or interest in their everyday commercial work. All experience shows how difficult it is to obtain the best results from a service so situated, and especially to maintain that stimulus from the centre on which the *morale* and level of performance of a widely scattered overseas service so largely depend. There was thus a growing feeling that some closer connection or unification of the headquarters control was essential if full value was to be obtained from

the services of consular or diplomatic officers in the matter of Commercial Intelligence.

War experience only heightened this feeling, and towards the end of the war, a Committee of Inquiry examined the whole question of Foreign Office or Board of Trade responsibility, without, however, arriving at any agreed conclusion. It looked for a moment as though the old question of principle as to responsibility for commercial policy, which had proved so intractable to logical settlement, but which had settled itself by the force of events, was destined to come to life again in a new form in relation to the more limited subject of commercial intelligence.

Fortunately a way out was found in 1917, by the device of constituting a single "Department of Overseas Trade," jointly responsible to the Foreign Office and Board of Trade, with delegated power not only to carry on the work of collecting and disseminating commercial intelligence and assisting traders in this country, but also to administer the commercial services abroad, whether within the Empire or in foreign countries.

Thus at a stroke the administrative control of the whole work of commercial intelligence and the development of overseas trade was unified in a single departmental organisation, while any difficulties arising from the inevitable dual control were limited to two officers—the Parliamentary Secretary and the Comptroller-General, who under the scheme were made responsible both to the Foreign Secretary and to the President of the Board of Trade. Odd as this arrangement may

appear, it has worked smoothly and successfully for the last nine years, and more than one suggestion to put an end to it in the interests of economy has given rise to strong opposition from Commercial interests, who like to feel that they have a Department wholly devoted to the promotion of their trade and not distracted by duties of regulation or repression. The internal organisation of the Department follows in the main the lines of the former Commercial Intelligence Department of the Board of Trade as remodelled during the war. There are two main sides—one concerned with overseas markets, the other with trades and industries in the United Kingdom.

Immediately on its establishment the new Department took up the organisation of the Overseas Commercial Services. It completed the reorganisation of the Trade Commissioner Service which, as described above, had been already begun by the Board of Trade, and it created a new Commercial Diplomatic Service to replace the former Commercial Attaché system in foreign countries.

The Commercial Diplomatic Service is organised in three grades, the officers of the first grade being designated Commercial Counsellors, while those of the junior grades are termed Commercial Secretaries. The scheme involved the general abandonment, except in a few cases, of the scheme of "Commercial Secretaries" initiated by the Committee of 1906. The recruitment of the Commercial Diplomatic Service was entrusted to a Selection Committee representing the Civil Service Commission and other Departments, together with

representatives of the great commercial organisations. At the present time the service consists of thirty-four officers, viz. four Commercial Counsellors and twenty-nine Commercial Secretaries, together with an Inspector-General.* Of these, twenty-one officers are in Europe, six in America, five in the Far East and one in Egypt. Although under the present arrangements the control of these various services is effectively unified, it is of interest to note that in their administration the Department of Overseas Trade purports to act now as the agent of the Board of Trade, now as that of the Foreign Office, now as that of both Departments, according to the nature of the subject matter. For example, the "Trade Commissioner Service" is administered by "D.O.T." in the name of the Board of Trade, while the Commercial Diplomatic Services are administered in the name of the Secretary of State. The control of the Consular Service has also been entrusted by the Foreign Office to the Department of Overseas Trade, whose instructions to consuls are issued in the name of the Secretary of State.

The information supplied by "D.O.T." to British traders includes such matters as rates of duty on particular articles, foreign competition in markets abroad, openings for trade, public contracts, opportunities for investment, conditions of local trade and credit, and similar matters of interest to British trade. According to the nature of the case the information is given to the specific inquirer, or published in the *Board of Trade*

* The Inspector-General also inspects the Trade Commissioners' Offices.

Journal, or circulated to subscribers on a special register in return for a fee. The Department has also a division concerned with exhibitions, including both the annual "British Industries Fair" and the organisation of British participation in overseas exhibitions. It has also an Export Credits Office, situated in the City, which administers on behalf of the Board of Trade the duties imposed by the recent Acts dealing with export credits, guarantees and insurance. The Department also manages the Imperial Institute.

The result of delegating responsibility for Commercial intelligence to the new Department of Overseas Trade has been to emphasise the distinction between two forms of government action taken in the interests of British trade. Services rendered directly to traders in their relations with other traders abroad have become the care of the Department of Overseas Trade. On the other hand, action taken in relation to foreign governments, whether by way of representations designed to protect the interests of British traders prejudiced by the laws or administration of those governments, or by the negotiation of commercial treaties or other agreements designed to afford security to British interests in such matters, has remained the function of the Commercial Department of the Board of Trade. In recognition of the new allocation of duties the title of that Department was changed in 1919 to the "Commercial Relations and Treaties Department." Of course any formal action with regard to representations to Foreign Governments or the conclusion of Commercial Treaties is taken

by and on the responsibility of the Foreign Secretary. But in regard to all the general trade aspects of the questions involved, as well as on many technical details which require elucidation, the Foreign Office looks in practice to the Board of Trade for initiative and advice, and this work is the principal responsibility of the Commercial Relations and Treaties Department. Foreign Governments in their legislative and administrative activities may interfere with British trade and traders in many ways, e.g. in regard to the right of British firms to carry on particular businesses and the obligations and burdens imposed on them, but the most obvious form of interference is through Customs tariffs and Customs administration. Accordingly, a large part of the work of the Department consists in procuring and publishing full information as to all changes made or proposed in Customs tariffs and Customs procedure, in dealing with complaints of traders in regard to the tariff classification of their goods, in obtaining the views of traders in regard to new tariffs, and in advising the Foreign Office in regard to diplomatic representations to which Customs tariffs and administration give rise.

A great amount of information as regards Customs tariffs as well as regards other forms of foreign legislation and administration affecting trade, reaches the Board of Trade through the overseas officers of the Department of Overseas Trade.

In these matters the Board of Trade acts directly as the adviser of the Foreign Office. The old Commercial Department of the Foreign Office was dissolved in 1917, when the new organisation for Commercial

Intelligence was inaugurated, and the advice received from the Board of Trade is now dealt with in the ordinary territorial Departments of the Foreign Office which decide on the instructions to be given to British missions abroad. Where it is necessary to bring questions affecting United Kingdom trade to the notice of the Government of a British Dominion, the British Trade Commissioner not infrequently takes informal action for the purpose, with the approval of the Dominions Office. In the case of Commercial treaties negotiated in foreign capitals the Foreign Office depends largely on the advice given by the Commercial Relations and Treaties Department, which occasionally sends out officers to assist H.M. missions abroad. Where the negotiations take place in London there has been an increasing tendency to arrange that they should be carried on mainly at the offices of the Board of Trade, with officials of the Commercial Relations and Treaties Department acting as negotiators on the British side.

Since the Great War there has been an almost continuous series of important commercial negotiations in which in one way or another the Commercial Relations and Treaties Department has taken part, beginning with the prolonged inter-allied discussions in Paris in 1919, in which the commercial provisions of the Peace Treaties were settled, and the subsequent negotiations at Lausanne in 1922-1923 for a treaty with Turkey. Since then new commercial treaties or exchanges of notes have been concluded with a number of countries, including Germany, Spain, Austria, Czecho-Slovakia, Poland,

Hungary, Jugo Slavia, Roumania, Greece, Bulgaria, Siam and various minor States.

It is also the Commercial Relations and Treaties Department which has mainly dealt on behalf of the Board of Trade with questions relating to the important series of international Conventions negotiated under the auspices of the League of Nations to give better effect to the provisions of Article 23 (e) of the Covenant, which enjoins freedom of communications and the equitable treatment of commerce. In the case of these Conventions the Department furnishes the British Delegates with the necessary materials, information and advice, while the British members of the technical organisations of the League constantly have recourse to its officers to ascertain the Departmental view on questions of policy, or to obtain the benefit of their experience or criticism in relation to projects which come before the various League Committees.

The creation of the League of Nations and especially the development of its economic work have introduced a new factor into all questions of international commercial relations of which the full significance is not yet generally realised. The importance of the new departure lies not only in the fresh orientation of international commercial policy due to the aggregate effect of all the conventions and agreements settled at Geneva, but perhaps still more in the better and more sympathetic understanding of different national points of view which naturally follows from the close personal co-operation of officials and other representatives of different countries continued over a period of years.

The effect has been a great acceleration of procedure and improvement in the technique of negotiation so far as concerns international economic agreements on matters of general concern. But to develop this theme in detail would lead us far beyond the scope of the present volume.

Almost simultaneously with the constitution of the Department of Overseas Trade two separate Departments were formed within the Board of Trade to deal with Statistics and Industries. Consequently matters falling within these groups of subjects which formerly were dealt with by the Commercial Department were transferred to these Departments, which are described in separate chapters. The responsibility for advising on tariff changes for the purpose of safeguarding key industries or threatened trades, falls on the Industries and Manufactures Department. The Commercial Relations and Treaties Department, however, deals with import and export prohibitions and gives licences for the importation or exportation of prohibited goods.* It also continues to have charge of questions relating to Merchandise Marks, which, since the passage of the Act of 1926 dealing with the marking of imported goods, have given rise to a considerable volume of administrative work.

* Other than dangerous drugs, which are administered by the Home Office, and dyestuffs which are dealt with by the Industries and Manufactures Department.

Chapter V

THE BOARD OF TRADE AND MERCHANT SHIPPING

THE relations of the State to merchant shipping may be grouped under the following heads :—

(1) Political and commercial relations, including the fixing and enforcement of the conditions under which a vessel is entitled to fly the British flag and to claim the privileges of a British ship; the conditions and limits subject to which foreign vessels may be permitted to trade to and from British ports; and the protection of the interests of British shipping in foreign ports both as regards trading rights and facilities and the rates of dues and charges.

(2) Technical control and supervision in the interests of the safety and well-being of passengers and crew, including rules, inspection and examination destined to ensure structural fitness, the competence of masters and officers, minimum provision of safety appliances, air space, food and medical stores, and to prevent overloading and undermanning.

(3) Provision or supervision of facilities to assist navigation, e.g. lighthouses and sea-marks, rule of the road, rocket apparatus, wreck services, maintenance of foreshore rights, etc. etc.

(4) Protection of the interests of the crew in

regard to signing on and off, settlement of disputes, repatriation, advance notes, suppression of "crimping" and similar practices, as well as such matters as the encouragement of employment of apprentices, prevention of desertion, etc.

(5) Questions affecting the relations between shipowners and their customers or the general public, e.g. the limitation of shipowners' liability in respect of sea losses, and its apportionment in case of collision, maritime liens, liability under bills of lading, immunities of State controlled shipping, shipping combinations, etc. etc.

To the above categories the recent growth of autonomous and semi-autonomous oversea communities within the British Empire has added another group of questions of increasing importance and delicacy, which may be broadly described as Inter-Imperial Shipping relations.

For all the above matters the organ of State action has since 1850 been the Board of Trade, operating for the most part through its Marine Department (now the Mercantile Marine Department), though as regards certain important matters the co-operation of other Branches of the Board (e.g. the Commercial Relations and Treaties Department) or of other Departments of State (e.g. the Foreign and Colonial Offices and the Admiralty) is essential.

The concentration in one Department of the function of superintending merchant shipping and seamen, and of carrying out all Acts (except Revenue Acts) relating thereto dates, as above stated, from the Act of 1850, re-enacted in the great Consolida-

tion Act of 1854, which, though amended in detail from time to time, remained for forty years the basis of the Board of Trade administration.

Previous to 1850 the responsibilities of the State in respect of merchant shipping, in so far as they were recognised, were scattered among a number of Departments and other public authorities.

Historically the interest of the Board of Trade in the political and commercial aspects of navigation preceded by many years its direct intervention in matters of safety or technical regulation. At least as far back as Cromwell's time the Board of Trade was the accepted adviser of the State with respect to questions arising under the Navigation Laws. In early years, however, such functions as the supervision of shipping and shipbuilding, pilotage, lighting, ballastage, and the relations between masters and seamen, were exercised by the ancient corporation of the Trinity House. Originally a local guild of pilots and seamen at Deptford, which dated back at least to the fifteenth century, this Fraternity was incorporated by Henry VIII to be the instrument of his policy of naval expansion. Thus to the original duties of the guild with regard to pilotage and mariners were added, in 1514, a number of functions of national scope for the "relief, increase and augmentation of the shipping of this our Realm of England" and to make regulations "concerning the science or art of mariners." In 1520 the Deptford Shipbuilding Yard was placed under the superintendence of the Trinity House. In 1566 they obtained the power to erect sea marks—the origin of their present

jurisdiction over lighthouses, and about the end of the sixteenth century the right of ballastage in the Thames was transferred to them by the Lord High Admiral.

In the early part of the seventeenth century the authority of the Trinity House in respect of all matters relating to shipping and seamen stood at its highest. The Brethren designed naval ships, inspected provisions and naval equipment, certified pilots, regulated relations between masters and crews, and arbitrated on their disputes, equipped vessels for defence against pirates, acted as assessors in the Admiralty Court and appointed consuls at such foreign ports as Genoa and Leghorn. From 1625 onward the powers of the Trinity House as a shipbuilding authority declined, and constant differences occurred between them and the Navy Board and more modern ship constructors like Pett, with regard to such matters as tonnage measurement, and the passing of unsatisfactory ships. In the Civil Wars the Trinity House "Elder Brethren" were mostly royalist, and in 1648 Parliament dissolved the Corporation and replaced it by a Board of Commissioners. The Charter was renewed at the Restoration, but the Trinity House never recovered their former functions as the general superintending authority for shipping. They maintained, however, and developed their powers in respect of lighting and pilotage, neither of which matters came under the supervision of the Board of Trade until the middle of the nineteenth century. The modern relations between the Board of Trade and the Trinity House and other Lighting and

Pilotage authorities will be explained later (see p. 107).

The interest of the Board of Trade in the administration of the Navigation Laws continued throughout all the vicissitudes and changes of the Board's constitution, until the final repeal of the Acts in the middle of the nineteenth century. The policy of the famous Laws did not originate with Cromwell, but dates back to 1381, when it was enacted that no subject of the King should import or export any merchandise except in "ships of the King's Allegiance." Within a few months this Act, which aimed at building up a navy, had to be modified in the interest of trade by providing that goods might be shipped in foreign vessels if English could not be found. Henceforth British policy oscillated between regard for the interests of the navy and for freedom of commercial intercourse, until in Elizabeth's reign the apprehension of foreign reprisals led to the replacement of prohibitions by higher duties on goods imported in foreign vessels (1558).

Cromwell's Act of 1651 (re-enacted in 1660) returned to the earlier restrictive policy and prohibited all import or export of goods into or from British plantations outside Europe, and all import into England from such plantations except in ships belonging to British subjects with master and three-quarters of the crew English. A few years later (1662) the privilege was further restricted to British built ships.

Cromwell's Act was aimed at the Dutch carrying trade, and, as was mentioned in the first chapter,

the establishment of the Board of Trade immediately after caused some perturbation among the Dutch. For more than a century, however, the law was administered without much criticism, though with varying degrees of stringency, and with liberal relaxations in times of war, or in view of special trade conditions (e.g. the Greenland Whale Fishery). When, however, the American Colonies became foreign it was impossible to apply to American ships the full rigour of the Navigation Laws without dislocating trade and imperilling Colonial supplies.

In 1783 Pitt, as Chancellor of the Exchequer, vainly endeavoured to pass a liberal measure by which American and British ships would have been treated on a basis of equality. The Bill perished when the administration fell, and when Pitt returned to power as Prime Minister in 1784 it was not re-introduced. In lieu thereof the West Indian representatives who saw their supplies and trade threatened by the strict application of the Navigation Laws, were referred to the newly reappointed Board of Trade, and, as we have already seen, the attention of that Committee was to a substantial extent occupied during its early years with the ever-recurring subject of shipping intercourse with America, especially in relation to the interests of the West Indies. Broadly speaking, the policy recommended and acted on was to maintain the legal restrictions as regards the traffic between the United States and the Islands, but to exercise freely the power of suspension, postponement and relaxation to meet local conditions and emergencies. In the meantime, for the purposes of the direct trade

between America and England, American ships were treated on the same footing as British. If Pitt's policy of liberal commercial treaties with European states had been allowed time to develop, it is probable that further inroads would have been made into the Navigation Acts on a reciprocal basis, but the Napoleonic wars, with the continual necessity of suspending the Acts in order to ensure supplies and to enable ships to be manned, precluded for the time any systematic movement for their modification, and no serious amendment was attempted until Mr. Huskisson became President of the Board of Trade in 1823.

In that year were passed two Acts of momentous importance, one dealing generally with the registration of shipping, the other giving power by Order in Council to permit goods to be imported or exported in foreign ships subject to the same duties as those carried in British ships. In the following year, 1824, this Act was supplemented by a provision enabling higher tonnage dues to be imposed in retaliation for flag discrimination against British ships, and in 1825 power was taken by Order in Council to permit British ships to go to sea with less than three-quarters of their crews British. The motive of this relaxation was to counteract the attempt of combinations of seamen to hold up shipping at British ports.

After Huskisson ceased to be President of the Board in 1827 the movement to liberate trade from the restrictions of the Navigation Acts seems for the time to have spent itself. Several consolidating and amending Acts were passed, but in

effect the Navigation laws remained substantially as he left them, until they were repealed in 1849 as a part of the general free trade movement. The repeal was preceded by a series of Parliamentary inquiries. The first of these (in 1844) was in effect a shipowners' inquiry, the main object being to make a case for protection against the "unfair" competition of cheap Colonial ships. It was of this Committee that Mr. Gladstone, in a private memorandum written for his successor on February 2nd, 1845 (two days before he resigned the presidency of the Board of Trade) observed, "it will probably be proposed to revive the Shipping Committee from which I anticipate neither good nor harm. Complaint was made last year of its composition as not including any thorough-going free trader of ability: if a man of that kind would serve upon it, perhaps it would keep him from being worse employed elsewhere."*

Mr. Gladstone's anticipation was justified, for, though the Committee re-assembled, a hardening of freights caused shipowners to lose interest in it, and it came to an inglorious end.

The whole situation, however, was radically changed by the repeal of the Corn Laws by Peel in 1846, and the equalisation of the Sugar Duties by Lord John Russell in the following year. It must be remembered that the Navigation Laws formed only one part of a coherent policy of safeguarding national power, of which an essential condition was the maintenance of tariff protection and Colonial preference. Colonial producers

* For the whole Memorandum, see Appendix V.

put up with the disability of being forbidden to ship their goods in foreign vessels in view of the preference they enjoyed in the British market. Shipowners regarded the obligation to have their ships built in Great Britain and to employ British crews as balancing the advantage they enjoyed in the monopoly of certain trades. As soon as any one of these restrictive conditions disappeared the maintenance of all the others was threatened. The free trade measures of Peel and Russell were followed by urgent representations from the Colonies in favour of abolishing the provisions which compelled them to ship their goods by British vessels. The shipowners, alarmed by the prospect of losing their exclusive rights while still bound by the obligations relating to shipbuilding and manning, clamoured for freedom from the latter restrictions. When, therefore, in 1847 a new Parliamentary Committee assembled to consider the Navigation Laws it met in a quite new atmosphere. Mr. Gladstone's comment on the absence of a "thorough-going free trader of ability" from the Committee of 1844 was certainly inapplicable to the new Committee, whose chairman was J. L. Ricardo, nephew of the great economist and himself a stalwart free trader; and the previous attitude of detachment on the part of the Board of Trade had given way to one of whole-hearted championship of repeal. The case for repeal was in fact put to the Committee by three Board of Trade officials—with clear and scientific reasoning by Mr. J. S. Lefevre, with a wealth of statistical facts by Mr. G. R. Porter, and it must be added with

eager but blundering advocacy by Mr. McGregor, whom Mr. Gladstone has described as a "loose minded free trader."*

The Committee of 1847 and the House of Lords Committee of the following year produced a series of reports recording the conflicting evidence but making no recommendation. But the tide of opinion was running with increasing force in favour of repeal, and in 1849 the Navigation Laws were abolished so far as concerns overseas voyages. It was not until five years later that foreign ships were admitted to the British coasting trade. The Act of 1849 relieved shipowners of the restriction that their ships must be British built, but the manning provision of the old laws was retained and only abolished in 1854. The power to retaliate against countries which practised flag discrimination against British ships was specifically retained by the Customs Consolidation Act of 1853, and though the power has never been used, its existence may yet prove a useful weapon against the forms of direct and indirect flag discrimination which have shown a tendency to revive in recent years under the influence of the ultra-nationalistic tendencies fostered by the Great War.

Having reached this point, it is convenient to turn to other aspects of merchant shipping control, e.g. those relating to safety of life and the promotion of the interests of shipping and seamen generally. As already stated, these matters were in early times not within the jurisdiction of the Board of Trade, but so far as they were regulated

* Morley's *Life of Gladstone*, Vol. I, p. 252.

at all were within the province of the Trinity House. But the early minute books of the Board of Trade furnish evidence that the Board were from time to time called on to advise on matters of this kind. For example, in 1786 we find the Board considering the amendment and enforcement of the law requiring masters to take a certain number of apprentices, to make agreements with seamen in writing and to bring home British seamen left in foreign ports, and generally for the encouragement of British seamen.* Many of the shipping questions dealt with by the Board during the French Wars were transitory war problems, but in 1803 a law was enacted limiting the number of persons carried to one-fifth of the tons burthen of the ship and providing for the carriage of surgeons, and (in the American trade) of adequate provisions.

In the first decade after the end of the Napoleonic Wars a number of Acts were passed affecting merchant shipping, e.g. the regulation of the employment of Lascars (1815 and 1817), the settlement of wages disputes and the ascertainment of tonnage (1819), the encouragement of apprentices and prevention of desertion (1823), and in the last mentioned year the Bill, which had for long been under the consideration of the Board of Trade, for the registration of shipping, was taken up by Mr. Huskisson and passed into law. Previous to this Act every application for registration had been the subject of separate deliberation by the Board of Trade, the result being recorded in their minute

* December 20th, 1786.

book. The executive business of registering shipping remained, and has always since remained, with the Customs, but questions of policy have always been dealt with by the Board of Trade. When twelve years later (1835) the General Register of Seamen was established, it was placed under the control of the Admiralty, for the Board of Trade was not yet definitely organised as an administrative Office. The Act of 1835, which set up the General Register Office, also required written agreements with seamen, and imposed various obligations on shipowners, e.g. the repatriation of seamen left abroad. It further empowered Customs Collectors, in the event of doubt arising whether a ship with passengers is seaworthy, to cause a survey to be made "by two competent persons." During the following ten years a series of Acts were passed prohibiting or regulating the carriage of deck loads in winter.

It will be seen from the above summary that before the passage of any comprehensive Merchant Shipping Act, or the organisation of any Department of Government to deal generally with the relations of the State to Merchant Shipping, a mass of laws had been passed from time to time dealing not only with general navigation policy but with particular categories of grievances and hardships arising either to the crews or passengers of merchant ships.

None of these laws up to the year 1845 imposed administrative duties on the Board of Trade by name, but in its advisory capacity the Board was frequently occupied by some phase or other of

merchant shipping questions. But every year these piecemeal and hand-to-mouth methods became more inadequate, and the need of some comprehensive code of regulations administered by a single centralised authority became more insistent. The advent of steam, the expansion of British merchant shipping, and the development of overseas migration in the period following the Napoleonic wars not only added enormously to the importance of mercantile marine questions, but brought in their train new problems of great difficulty and complexity. With these problems it was impossible to grapple by means of the existing machinery of government. Responsibilities were scattered among nine different Departments, which administered with very imperfect powers a mass of uncodified laws, many of them obsolescent and some of them conflicting. Hence conditions in the British Mercantile Marine went from bad to worse, until the inquiries of 1843 revealed a startling state of inferiority to foreign shipping which could not be allowed to continue.

The impulse to centralise the supervision of Merchant Shipping in a single Department armed with ample powers and resources, came, strangely enough, not from the Board of Trade or from the shipping or mercantile community, but from the Foreign Office, or, perhaps more exactly, from a Foreign Office official, Mr. James Murray, at whose instigation the circular inquiry of 1843 as to conditions of merchant shipping in foreign ports was addressed to Consuls. The terms of this circular were strongly criticised at the time on the ground that they practically invited adverse criticisms on

British shipping,* but after making all allowance for the reflection of the bias of the circular in the replies of the Consuls, enough remained in the reports to excite the greatest disquietude.

As Mr. Lindsay observes, it was "but too evident that however much British shipowners might deprecate the assistance or interference of Government, a large proportion of their ships were commanded and navigated in a manner reflecting discredit on our national intelligence and injurious to the interests of Great Britain; that the persons placed in command of them were too frequently unfit for their duties; and that while many of them were so habitually addicted to drunkenness as to be altogether incompetent for their position, not a few of them were almost without education."†

The two essential preliminaries for dealing effectively with the situation were to centralise in one Department the responsibility for dealing with merchant shipping, and to consolidate in one statute the piecemeal legislation relating thereto. Of these two measures the former was the more urgent, and indeed concentration of administrative authority was necessary before the difficult task of consolidating the law could be undertaken. In a letter addressed to Lord Canning Mr. Murray strongly urged the necessity of establishing a central Board or Department of Commercial Marine. "The Committee of the Privy Council for Trade," he observed, "appears to be the office to which

* The offending paragraph is quoted in Lindsay, *History of Merchant Shipping*, Vol. III, p. 42.

† *Ibid.*, Vol. III, p. 51.

the mercantile community naturally look in regard to everything relating to trade, whether on shore or at sea." He therefore suggested that the same Committee of the Privy Council should be also appointed a Board or Department of Commercial Marine. The proposal was transmitted from the Foreign Office to the Board of Trade in February, 1844, and though the record in the minute book was "consideration postponed," and though six years elapsed before the Marine Department was formed, it cannot be doubted that Mr. Murray's letter marked an epoch in merchant shipping administration and was the starting-point of a new development of Board of Trade activity and responsibility.

In 1845 an Act for the protection of seamen for the first time gave express recognition to the Board of Trade by imposing on them the duty of checking "crimping" by licensing persons to procure seamen for merchant ships. Simultaneously the Board issued regulations for the voluntary examination of masters and mates. In neither case, however, did the Board at the outset exercise the actual executive power, the administration of the Crimping Act being delegated to the Admiralty, and the examinations to the Trinity House and various other bodies enumerated in the Board of Trade notice. In the following year, however (1846), an Act for the Survey of Steamers, imposed on the Board the duty of approving surveyors of passenger ships, and empowered them to inquire into accidents. Under this Act a naval officer (Capt. Denham) was appointed inspector, and headed his letters "Steam

Navigation Department, Board of Trade"—the germ of the Marine Department.

By this time the great rush of overseas emigration, which in the eight years 1846 to 1854 carried two and a half million passengers from the United Kingdom, had fully set in, bringing with it new difficulties and dangers. In 1847 the Colonial Office promoted an Act to regulate the carriage of emigrants, but while some such measure was urgently needed, the result was to add to the confusion of central authorities.* In the same year the Board of Trade intimated their intention to form a Commission to inquire into matters relating to the commercial marine, and the Foreign Office collected fresh information from Consuls on the subject, and also "in regard to the general condition of British Shipping in foreign ports with reference to a proposition which had been submitted to H.M. Government" (i.e. Mr. Murray's scheme) "for the establishment of a Board or Department of Commercial Marine."

Apart from all other motives for action, the repeal of the Navigation Acts in 1849 made it urgently necessary to enact important and comprehensive Merchant Shipping legislation. The result was the Mercantile Marine Act of 1850 which for the first time definitely constituted the Board of Trade as the authority to "undertake the general superintendence of matters relating to the

* It is interesting to note that the amending Act of 1848 dealing with Emigrant Ships was piloted through Parliament not by the Colonial Secretary but by Mr. Labouchere, President of the Board of Trade.

British Mercantile Marine." It transferred to the Board the powers exercised by the Admiralty with regard to merchant seamen, including the Seamen's Registry, established Local Marine Boards at all the principal ports, made the examination of Masters and Mates compulsory, and required agreements in the foreign trade to be signed before a Shipping Master, appointed by a Local Board. Other sections dealt with discipline and a number of miscellaneous questions. The Board of Trade were empowered to nominate "two proper persons to assist such Board in the execution of this Act," besides power to appoint new officers. Under this power a naval officer (Captain Beechey) and a Mercantile Marine Officer (Captain Walker) were appointed as "Assistants" of the Board, and Mr. T. H. Farrer (afterwards Lord Farrer) became Secretary under the new Act, thus beginning his distinguished career of service with the Board of Trade which lasted for forty-three years. The immediate result of the Act of 1850 was a strike of the sailors of the North-East ports, who refused to work the provisions relating to supply and signing on of seamen. They seemed to have been incited to this rebellion against an Act of Parliament by the lodging-house keepers and others who feared for the loss of their gains from "crimping." The opposition, however, was firmly met and soon died away.

The new Department was known at first as the Naval Department, and was expressly referred to under this title by more than one Act of Parliament. From the report of an inquiry into

the Board of Trade duties and staff, dated 1853,* we learn that the work of the "Mercantile Marine Department" (to which apparently the title had already been altered) was carried on by a regularly constituted Board consisting of the three officers above mentioned, who worked in practical independence of the "General Department" (i.e. the old Board of Trade) and even of its President, neither he nor the joint Secretaries being regularly kept informed of what was going on. The Committee of Inquiry condemned this "Board" procedure as cumbrous for the dispatch of executive business, and tending to an undesirable division of responsibility.

The Act of 1850, important as it was, did not consolidate all the previous laws relating to merchant shipping, and so great and complicated was this task that it was not accomplished until 1854. The interval was so well spent, however, in perfecting the clauses of the Consolidation Bill and discussing them with shipowners and other interested parties, that eventually Mr. Cardwell, as President of the Board of Trade, passed the whole of the 548 clauses through the House of Commons in a single sitting—surely an unexampled feat, for the Bill contained many important amendments of the law besides consolidating all previous Acts.

Meanwhile several additional laws of importance had been passed, notably that of 1853, which vested the supervision of the Lighthouse Authorities and the Mercantile Marine Fund in the Board of Trade,

* Conducted by Sir Stafford Northcote and Sir Charles Trevelyan.

thus instituting the special relations between the Board and the Trinity House and other Lighthouse Authorities which exist to-day. The Consolidation Act of 1854 remained for forty years the principal Merchant Shipping Act, and, though it was superseded in 1894 by the Act which is now in force, its general framework and contents correspond fairly closely to the present organisation and classification of administrative duties of the Mercantile Marine Department of the Board of Trade.

The Act of 1854 was divided into eleven parts (1) defining the general functions of the Board of Trade, (2) laying down the conditions to be complied with by British ships, including their ownership, measurement and registry, (3) regulating the relation between masters and seamen, (4) dealing with safety and the prevention of accidents, (5), (6) and (7) dealing with pilotage, lighthouses and the Mercantile Marine Fund, (8) dealing with wrecks, casualties and salvage, (9) defining the liability of shipowners, and (10) and (11) occupied with legal procedure and miscellaneous subjects.

Having traced the course of events which led up to the institution of the Mercantile Marine Department and the consolidation of Merchant Shipping Law, we need not describe in detail the amending Acts and the changes of administrative procedure which have taken place since that date. It will suffice to notice very briefly the principal developments and alterations, and then to describe the scope and organisation of the Mercantile Marine Department as it exists to-day.

A comparison of the classification of the Act of

1854 with that of the next great Consolidating Act forty years later, viz. the Act of 1894, which is still the "principal Act" administered by the Board of Trade, shows that the most substantial alterations between those dates in the groups of subjects dealt with were the inclusion in the principal Act of the provisions of the old Passenger Acts of 1853 and later years, the administration of which was transferred from the Emigration Commissioners to the Board of Trade in 1872 and of the provisions of Acts dealing with fishing boats, and with special Shipping Inquiries and Courts.

Besides the new work thrown on the Board of Trade by these additions to the Merchant Shipping Code, the general administration of foreshores was transferred to the Board of Trade from the Office of Woods by the Crown Lands Act of 1866, the principal reason for the transfer being the necessity of safeguarding public rights, and especially rights of navigation, in all grants of foreshore or sanctions for works thereon.

Following Mr. Plimsoll's agitation in the early seventies on the subject of unseaworthy ships, a Royal Commission was appointed in 1873 to investigate the subject. The Report of the Commission in 1874 did not recommend a compulsory load-line fixed by official authority, but in 1876 after a dramatic scene in the House of Commons of which Mr. Plimsoll was the central figure, and which disturbed the equanimity of the House far more than any similar demonstration would affect the more hardened legislators of to-day, an Act was passed requiring every shipowner to mark his ship

with a load-line, but leaving him free as to its position. By subsequent legislation the Board of Trade were empowered to determine how the load-line should be marked (1890), and British load-line requirements were applied to foreign vessels in British ports (1906). Equivalent foreign regulations to prevent overloading may be recognised by Order in Council, and several such Orders have been made. Thus the modern tendency is towards international uniformity in this matter.

There have been a number of Merchant Shipping Acts since the Consolidation Act of 1894, but much the most important was that of 1906, of which the most characteristic feature was the bold application of British requirements as to load-line, seaworthiness, life-saving appliances, and grain cargoes to foreign ships using British ports, tempered by the power of recognising by Order in Council the load-line and life-saving regulations of a foreign country as equivalent to our own. Previous to 1906 the system of mutual recognition had been applied to a number of matters, e.g. tonnage measurement (since 1862) and passenger steamer surveys (since 1876), but the Act of 1906 went much further in the direction of promoting international uniformity.

A further important step towards uniformity would have been taken (had not the war intervened) by the application of the Convention with regard to Safety of Life at Sea, which was signed in 1914 by Great Britain, France, Germany, the United States and twelve other countries, but which has only been ratified by a very few States. This Convention, which was settled at a Conference

held in London in 1913-1914, following the *Titanic* disaster of 1912, laid down minimum standards with regard to boats and other life-saving apparatus, bulkheads, wireless installations and other matters. Some of these matters (e.g. wireless telegraphy) have been dealt with since the war by special legislation, others (e.g. bulkheads and boats) are already provided for by British law, but the operation of the Act of 1914 giving effect to the Convention generally remains in suspense, as does the Convention as an international instrument.

Since the war there has been a certain tendency for the movement towards international uniformity in shipping matters to take a somewhat different form, owing to the initiative of the League of Nations. The Transit and Communications Organisation of the League has engaged in inquiries as to the possibility of attaining uniformity in such matters as lighting, buoyage and tonnage measurement, by some system of multilateral Conventions rather than by the time-honoured if slower process of bilateral agreements for the mutual recognition of standards. The Board of Trade have endeavoured to co-operate in these efforts to the best of their ability, but it is clear that much careful and patient preparation by practical experts is necessary before the method of general International Conventions can be effectively used to deal with these complicated and technical questions.

Another class of question affecting the administration of the Mercantile Marine Department, which has acquired increased importance in recent years, is that of Inter-Imperial shipping relations, in-

cluding questions of the legal and constitutional powers of British Dominions to regulate British and foreign merchant shipping. The question is too complicated to be dealt with here in detail, but broadly it may be said that each Dominion, under its constitutional Act, has certain rights to legislate with regard to merchant shipping, at all events within the limits of its territorial jurisdiction. Certain parts, however, of the Merchant Shipping Acts date from before the grant of Dominion status, and extended to British ships throughout the Empire. Moreover, apart from the purely legal and constitutional questions involved, it is essential to the interests of oversea commerce to maintain the principle that a British ship on the high seas is subject only to a single code of law. A few Acts of Dominion legislatures which exceeded the limits of their constitutional powers were disallowed by the Crown, while in certain other cases such Acts contained provisions which, if tested in the Courts, would probably be held to be invalid. The undesirable uncertainty of the whole position led to an Imperial Shipping Conference in 1907, which did much to clarify the problem in its practical bearings. But the gradual change of attitude both in the Mother Country and in the Dominions as to their mutual relations, which has been so marked a feature of the last generation, has led to a certain dissatisfaction with the position under which the Dominions are still legally bound by provisions of the Imperial Merchant Shipping Acts passed before their constitution. On the other hand, there are two considerations of prime importance, making for

uniformity. In order to claim from foreign countries the full rights of British ships for ships belonging to all parts of the Empire, it is important to maintain the principle of unity. There is also a growing recognition of the importance of uniformity of merchant shipping law and practice within the Empire, as is shown by such indications as the establishment of a Standing Imperial Shipping Committee, and the movement for a uniform law with respect to the liabilities of sea-carriers.

It is realised that it would be intolerable if a British ship had to comply with varying and possibly inconsistent requirements in each different part of the Empire, and few would wish to sacrifice the measure of practical uniformity which is at present ensured by the Merchant Shipping Acts, unless and until they can be replaced by an agreed uniform Imperial law. The formidable difficulties of reaching and maintaining any such agreement have yet to be overcome, and generally speaking, the whole problem is in the stage of Imperial diplomacy rather than of practical Departmental action. But more will certainly be heard of it in the future.

Until the Departmental re-arrangements which followed the Great War, the administration of the sections of the Merchant Shipping Act dealing with wreck and salvage, pilotage and lighthouses, together with foreshores, navigable waterways and ports and harbours, were dealt with by a separate Department (the Harbour Department) of the Board of Trade, and it was not until the transfer of the port and harbour duties to the newly constituted Ministry of Transport in 1919, that the Harbour Department

was dissolved, and questions of lighting and foreshores, works in navigable waters, wreck and salvage were transferred to the Marine Department. In 1922 the Marine Department took over the duties with regard to pilotage, formerly exercised by the Harbour Department, and (since 1919) by the Pilotage Commissioner.

The administration of the provisions of the Merchant Shipping Act relating to the Mercantile Marine Fund has always been largely in the hands of the Finance Department, which had originally a special connection with the Marine Department, though for many years it has served the Board of Trade as a whole.

In 1921 an entirely novel duty was thrown on the Board of Trade, viz. the control of sea transport to meet the needs of the Admiralty and other Departments. In that year the Transport Department of the Admiralty was transferred to the Mercantile Marine Department and now carries on under the Board of Trade the work of arranging for the conveyance by sea of personnel and stores for the Admiralty, War Office, Air Ministry and other Government Departments. It is also responsible for preparing in peace time the plans for meeting the demands for shipping in time of war.

The present staff of the Mercantile Marine Department (which has been formed by uniting the old Marine Department with the remains of the Harbour Department and with the former Admiralty Transport Department) is about 1,900, including central and local, technical and clerical officers of all grades. The headquarters staff (excluding the

transport branch) consists of about 80 officers, under the direction of a Principal Assistant Secretary, an Assistant Secretary and a Deputy Assistant Secretary, with four principals, four assistant principals and six staff officers. There are two chief professional advisers, of whom one has naval and the other mercantile marine experience—exactly the same arrangement, it will be noticed, as in 1853.

The "Consultative staff" consists of eight technical officers, viz. the Engineer Surveyor-in-Chief, the Principal Ship Surveyor, the Principal Surveyor for Tonnage, the Principal Examiners for Masters and Mates and for Engineers, the Chief Inspector of Coastguard, and the Chief Inspector of Ship's Provisions, together with the Chief Inspector of the Transport section. In addition to these chief technical officers there is a technical staff stationed at the chief ports, which falls broadly under two categories (1) the survey staff, (2) the staff of Mercantile Marine Offices.

Mention should also be made of the standing Merchant Shipping Advisory Committee, appointed under the Act of 1906, which contains representatives of all the interests affected by the Merchant Shipping Acts, and advises the Board on the revision of regulations, and on other matters referred to it. This body is a very important link between the Department and the outside interests. "Local Marine Boards," originally established in 1850 (see above, p 106) still exist in certain ports, but they have now little importance in view of the gradual extension of direct Departmental control over many of the matters which they formerly

supervised. The chief duty remaining to these Boards is that of inquiring into misconduct of certificated officers.

To describe in detail the way in which all the different functions of the Mercantile Marine Department are actually fulfilled, would be to write a technical treatise on merchant shipping administration. All that can be done here is to give a very general idea of the kind of Departmental supervision which is applied to a ship from its birth to its dissolution.

The Board of Trade interest in a ship begins in the builders' yard, where it is measured for tonnage by Board of Trade Surveyors preparatory to registration at the Customs as a British ship. This applies to all vessels, cargo or passenger, home or foreign trade, large or small, which seek British registry. (Over 600 new ships were measured for tonnage by Board of Trade Surveyors in 1926).

In order to see the matter in correct perspective, it is well to keep in mind one or two figures. Out of some 36,000 ships of all kinds and sizes on the British register at the present time, little more than 10 per cent. are "deep sea ships" of 1,500 gross tons and upwards, and only about 1 per cent. are passenger steamers in the "foreign" trade. There are also about 750 passenger steamers certified for the "home trade," viz. coasting trade, short voyages to the Continent, Ireland, etc.

Every passenger ship has to be furnished with a "passenger certificate," showing that it has been surveyed by Board of Trade Surveyors and found fit for the service intended. (These surveys are not

only made at the beginning of the ship's life, but annually throughout its career.) There are 214 Board of Trade Surveyors, viz. 53 Nautical Surveyors,* with experience as ship's captains, 96 Engineer Surveyors who are Marine Engineers, and 65 Ship Surveyors trained in ship construction. A cargo vessel is not subject to the same kind of supervision, but it has to be furnished with a "load-line certificate" showing that it has been surveyed, either by the Board of Trade, or by one of the great "Classification Societies" (Lloyd's Register, the British Corporation, or the British Committee of the "Bureau Veritas") and found to be in accordance with rules approved by the Board of Trade, and fit to be loaded to the point or line indicated by the "Plimsoll" mark on the ship's side. The calculations made by the Classification Societies for this purpose are checked by the Consultative Branch of the Mercantile Marine Department.

The ship has now to be equipped with anchor, cables, boats, etc., and with officers and crew. Anchors and cables must be tested at one or other of the seven or eight "proving houses," licensed by the Board of Trade and working in accordance with their rules. The equipment of boats and life-saving appliances (which varies widely as between the passenger and the cargo ship) is fixed by rules made by the Board of Trade, which are usually settled in consultation with the Merchant Shipping Advisory Committee on which all interests are represented. As regards ship's officers there must be a certificated master, and a minimum number (often greatly

* Including 18 Examiners of Masters and Mates.

exceeded) of certificated deck and engineer officers. These minima limits are laid down by law, but the Board of Trade have the entire responsibility for granting certificates after examination, and also in certain eventualities for suspending or cancelling them. The examinations are held at the principal ports, and, on an average, more than 4,000 certificates of competency of different grades are granted every year. Deck officers are required to pass a severe examination in form vision and in colour vision, in view of the danger of not seeing, or mistaking the colour of ships' lights.

The crew are not certificated, but in the case of foreign-going ships they must be engaged and discharged in the presence of a "Superintendent of a Mercantile Marine Office," or if in a foreign country, a British Consul. The food of the crew is fixed, at the minimum, by a definite scale and must be prepared by a cook certificated by a cookery school approved by the Board of Trade. Moreover, if the ship is a passenger ship carrying third class passengers overseas, there are regulations as to food scale and accommodation for such passengers, these regulations being made and enforced by the Board of Trade as successors to the Emigration Commissioners. At the end of the ship's voyage the crew is paid off at a Mercantile Marine Office, of which there are about thirty under the direct control of the Board of Trade, when the Superintendent settles any disputes that may have arisen, and deals with any question of men left aboard. Then the ship's papers are passed to the Registrar-General of Shipping and Seamen, the establishment

of whose office in 1835 has already been mentioned. This office, which is situated near the Tower of London, keeps a record of full details with regard to every registered ship, including measurement, ownership, mortgages, etc., and also its agreement and the official log, with a record of what has happened to the crew; there are also records of the service of every officer and seaman. This office also deals on behalf of the Admiralty with the Royal Naval Reserve.

It may be that the ship has not been so fortunate as to complete its voyage without misadventure. If it runs ashore or gets into difficulties near the coast of Great Britain, the Coastguard who keep a look out for wrecks and manage the rocket apparatus, may be of service in saving life. The rocket apparatus stations round the coast, of which there are now 253, have since 1857 been administered by the Board of Trade, but it was only in 1923 that the actual personnel of the Coastguard was transferred to them from the Admiralty. (On an average about 100 lives are saved every year by this apparatus.) Any wreckage that comes ashore is placed for the protection of the interests concerned under the custody of a "Receiver of Wreck," who is generally either a Customs or Coastguard officer appointed for this purpose by the Board of Trade.

But wherever the casualty may have occurred the Board of Trade receive a report on it from one of their officers, and determine whether in the public interest it ought to be the subject of a formal inquiry. The preliminary investigations necessary for this purpose are mainly carried out

by the Solicitor's Department. The actual inquiry is generally held before a Court of Summary Jurisdiction, with nautical assessors, the latter being selected by the Home Office. The Court of Inquiry has power to suspend or cancel the certificate of any officer found in default. In exceptional cases the official inquiry is held not by a Court, but by a "Wreck Commissioner," Inspector or other person appointed by the Board of Trade according to circumstances. If the casualty takes place overseas the inquiry may be held in a foreign country by a "Naval Court," or in a British Dominion or Possession by a Court appointed under local legislation. These Courts possess penal powers, but their findings may be appealed against to the Board of Trade. On the average there are about fifty wreck inquiries each year.

The Board of Trade are concerned not only with inquiring into casualties, but also with their prevention, by such aids to navigation as lighthouses, buoys and beacons and pilotage, or regulations for the prevention of collisions at sea. As regards lighthouses the Board act practically the part of the Treasury in relation to the General Lighthouse Authorities, which maintain the general lighting of the coast, apart from local port and harbour lights, at a cost of about £900,000 a year, defrayed from the General Lighthouse Fund, into which light dues on ships, British and Foreign, which use British ports, are paid. In addition to this function, the Board of Trade have direct control of a few lighthouses overseas, the cost of which is also defrayed from the General Lighthouse Fund. There are

about 220 lighthouses and 1,200 other seamarks maintained by the General Lighthouse Authorities round the coasts of the United Kingdom.

As regards pilotage the Board of Trade have wide powers (subject in some cases to confirmation by Parliament) to make Pilotage Orders regulating pilotage in particular districts, and Bye-laws of local Pilotage Authorities require the Board's confirmation. The premier Pilotage Authority is the Trinity House, which as already shown is the modern descendant of a very ancient guild of pilots and seamen at Deptford, and is still the Pilotage Authority for London and several outport districts in England and Wales.

The Board of Trade Regulations for preventing collisions at sea, are founded on a code embodied in an Act of 1846, greatly elaborated in 1862 and since amended from time to time by Order in Council. They have practically acquired an international character by being accepted by all maritime countries, and any amendment now involves consultation with those countries. Ships' lights and fog signals have to be inspected by Board of Trade Surveyors in order to ensure compliance with the international regulations.

The preceding sketch is very far from being a full and exhaustive description of the multifarious and onerous duties performed by the Mercantile Marine Department in relation to merchant shipping. Many of these duties have been passed over without notice or with only a bare mention; others have perhaps been described at disproportionate length. Nothing has been said of the

emergency work of the Department during the Great War, though this was of outstanding importance. It is, however, quite impossible, in the space available, to describe the war work of the Board of Trade. The object has been, not to furnish a handbook to Departmental activities, but to give a general idea of the real character and object of the vast system of State regulation of merchant shipping which has grown up during the last hundred years on the ruins of the previous system of control through the Navigation Laws.

It seems at first sight an extraordinary thing that in the middle of the nineteenth century, at the very moment when the current of free trade and *laissez faire* doctrine was running like a mill-race, the foundations should have been laid of a new and elaborate code of State regulation of Britain's most characteristic industry—an industry moreover which, as soon as it saw the hopelessness of maintaining its old exclusive rights, became, and still remains, the very centre and citadel of free trade opinion. The preceding review may help to an understanding of this apparent paradox, by making it clear that each successive step in the growth of Merchant Shipping legislation and administration, so far from being the product of doctrinaire theory, was forced on reluctant Governments, in spite of current doctrines, by the stern pressure of practical necessity.

In the early years State intervention was often hotly resented by the shipping interests, but gradually their attitude has changed to one of friendly if critical co-operation. Perhaps the

threatened danger to British shipping of hostile discrimination by foreign Governments has done something to make shipowners look to the Board of Trade as a champion rather than as a foe. But a large share of the credit for the improved relations must in fairness be ascribed to the combined firmness and tact of the officers of the Marine Department, and to the growing practice of the Board of Trade to collaborate with the shipping interests in settling standards to be enforced, rather than to impose them from above. Concurrently the standards themselves have become more and more international.

It is a matter of great interest to notice how in this, as in other spheres of administration, the most engrossing problems are tending to be no longer insular, but to assume an international or inter-imperial character, whether it be a question of accepting and enforcing uniform standards, or of extending equal treatment to the flags of all nations.

Chapter VI

THE BOARD OF TRADE AND THE RAILWAYS

THE Board of Trade were so intimately concerned with the development and regulation of railways throughout the first century of the existence of this form of transport, that although the official connection was severed, or at least interrupted, in 1919 when the new Ministry of Transport was established, any account of Board of Trade activities which wholly omitted railways would be seriously incomplete.

The year 1786, which saw the reconstitution of the Board of Trade by Pitt, saw also the construction of the Colebrooke Dale Railway. This was followed by a number of other rail and tramroad constructions, chiefly for local colliery purposes, under the authority of Private Acts. No fewer than thirty-six such Acts had been passed up to the year 1821, when the first scheme for a railway for public use was approved by Parliament, after being twice rejected. This was the Stockton and Darlington Act, and its passage seems to have given rise to no statement of government policy. Four years later, however, a Bill for a railway between Liverpool and Manchester received the vigorous commendation of William Huskisson, then President of the Board of

Trade. Even this, however, did not save the measure from rejection, but it was passed next year. It is interesting in the light of subsequent events to note that the main ground of Huskisson's advocacy was his desire "to break up the overgrown monopoly which was now enjoyed by the Canals." As is well known Huskisson met his death at the opening of the railway whose cause he had championed.

The next decade saw a great increase in the number of railway projects submitted to Parliament, and by 1836 the congestion and confusion had become so great that an appeal was made to the President of the Board of Trade (Mr. Poulett Thomson) for guidance. At his suggestion a Select Committee was set up to direct surveys and report the results to the House of Commons, all projects being suspended in the meantime. The proceedings of this Committee, however, convinced its author that control by such means was impracticable, and that his original idea of a general survey for the purpose of assisting Parliament to judge of the merits of competing proposals was also unworkable. The only result therefore of the Committee of 1836 was the remodelling of the Standing Orders of the House of Commons in relation to Railway Bills.

Public opinion, however, remained unsatisfied, and in 1838 on Mr. Poulett Thomson's motion another Committee was appointed, to see "whether the powers which had been entrusted to the railroads by Parliament had been advantageously exercised and whether any amendment could be made." This Committee recommended that "a supervising authority should be exercised over all

the arrangements in which the public are interested," and that this control should be vested "in a Board to be annexed to the Board of Trade, of which the President and Vice-President should be members, together with one or two engineer officers of rank and experience." This was the origin of the Railway Department of the Board of Trade, which came into existence in 1840 in pursuance of the Railway Regulation Act of that year. The Railway Department was originally attached to the Statistical Branch of the Board, of which Mr. Porter was the head. A few months later the first Inspector-General of Railways (Lieut.-Col. Sir Frederick Smith) was appointed.

Within a very short time the new Department complained that its powers were inadequate to ensure the public safety, but a Select Committee set up to consider this plea pronounced against the increase of powers sought by the Board of Trade, preferring "that the supervision of that Department should be exercised in the way of suggestion rather than in that of positive regulation."

The year 1844 saw the beginning of the railway speculative boom, and the rush of applications for Parliamentary sanction led to the constitution of a strong Select Committee under the Chairmanship of Mr. Gladstone, then President of the Board of Trade.* One result was the Act of 1844, which gave effect (though in a mutilated form) to the

* See "English Railways, their development and their relation to the State" (Cleveland-Stevens), p. 102, etc. Throughout this chapter I have made great use of the information contained in this valuable work.

recommendation of the Committee that powers should be taken to revise railway rates or to acquire railways under certain conditions. The Act as passed was very much more favourable to the companies than as originally introduced. Powers were given in the case of new lines to revise rates after a period of twenty-one years (fifteen years in the original Bill) in the event of profits having amounted to 10 per cent. for three years, subject to a State guarantee of 10 per cent. profit for twenty-one years. Power was also taken after twenty-one years to purchase any new railway on financial terms specified, but a provision was added in Committee requiring a new Act of Parliament before any of the above powers could be exercised.

The Act of 1844 is only of interest as indicating that at this early date the Board of Trade regarded State revision of railway rates and State purchase of railways as possibilities of the future. Neither the original scheme nor that which actually became law could ever have been workable, and later official memoranda show clearly that the Board of Trade were under no illusions on this point. For it was plainly impossible to apply a purchase scheme to lines made after a certain date, leaving untouched the pre-existing lines forming part of the same system. Nor would any government be likely to revise railway rates subject to the condition of guaranteeing profits out of public funds.

Mr. Gladstone's reluctant capitulation to the railway companies was probably largely due to the attitude of Sir Robert Peel, who was strongly against State interference, nor was the President of

the Board of Trade more successful in enlisting the hearty support of the Prime Minister for his attempt to ensure a coherent and systematic control over the railway projects which were now overwhelming Parliament. For the purpose of establishing such control Mr. Gladstone remodelled the new Railway Department of the Board of Trade, which was now organised as a distinct Railway Board subject to but administratively separate from the Board of Trade proper.

The members of the Railway Board, besides the President or Vice-President of the Board of Trade, were the Inspector-General, the Superintendent and two joint Secretaries. This was the body which, under the chairmanship of the Earl of Dalhousie, issued a series of reports on the Railway Bills of 1845, which inflamed all the speculative interests against the Department. Mr. Gladstone had left office before the storm broke. In vain his successor tried to placate opponents by sacrificing the new Railway Board and reverting to the former method of transacting railway business through the Board of Trade proper. The critics declared vehemently that the Board of Trade had arrogated to itself functions which properly belonged to Parliament, that it was quite unfitted by its constitution to superintend railways, and that such superintendence ought to be transferred to an independent body of Commissioners. The real fact was that the Legislature in imposing on the Board of Trade the duty of supervision had laid down no principles for their guidance, and the Department had been driven to supply the deficiency by formulating,

principles by which its own proceedings should be governed.

The principles which Dalhousie's Railway Board evolved for its own guidance and on which it based its recommendations were broadly as follows: (1) that amalgamations of continuous lines might be justifiable, but not defensive amalgamations of competing lines, and (2) that Parliament should postpone or reject amalgamation schemes for which the public need was not proved, instead of sanctioning all schemes in the absence of strong reasons against them. Whatever were the merits or demerits of these principles, (and it is easy to be wise after the event), it was soon made perfectly clear that without much more determined support than the government was prepared to accord they could not possibly be maintained by a Department of State. Instead, however, of prescribing more acceptable principles for the guidance of the Board of Trade, Parliament, under Sir Robert Peel's guidance, first ignored and then disestablished the Railway Board. The individual railway schemes were dealt with piecemeal through the old method of private Bill Committees, without taking the least account of the Railway Board's recommendations, and the functions entrusted to the Board of Trade were transferred to an independent "Board or Department of the Executive," employing "inspectors, surveyors and other officers," and charged with the duty of assisting Parliamentary Committees in the conduct of railway inquiries. The Board of Railway Commissioners, established by the Act of 1846, in pursuance of these recommendations consisted of

five members, three paid and two unpaid, the latter together with the President being eligible to sit in Parliament. The Railway Department staff was transferred from Whitehall to the new office in Great George Street. Thus between 1846 and 1851 the Board of Trade had no connection with Railways, except that the President or Vice-President was a member of the Railway Commission.

The Railway Commissioners proved a somewhat expensive luxury,* and, as Parliament vouchsafed to them no more guidance as to principles than had been accorded to the Board of Trade, it was only a question of time before they should fall into equal disfavour. Circumstances, however, brought about a reaction even sooner than might have been expected, for in 1847 the bottom fell out of the railway boom and the whole situation and the attitude both of the public and of the railway companies underwent a complete transformation. During the lean years which followed the commercial crisis of 1847, the rush of railway applications was for power of abandonment rather than of new construction. The deep offence given to powerful interests by the Board of Trade reports of 1845 has to be considered in conjunction with the fact that the Department was struggling without proper guidance or support to safeguard the public interest against the dangers of a speculative mania, wilder perhaps than anything of which the country had experience since the time of the South Sea Bubble. The railway schemes submitted in 1845 demanded Parliamentary sanction to the raising of £500

* The cost in 1848 was £10,000.

millions of capital. The amount sanctioned by Parliament in that year was £60 millions, but in the following year (the first in which all Board of Trade control was eliminated) the new capital sanctioned rose to £132 millions. Then came the smash, and men began to wonder if they had been too hasty in abolishing the railway jurisdiction of the Board of Trade.

The revulsion of feeling may be gauged by the Parliamentary debate of March, 1848, when one speaker after another stood in a white sheet to apologise for the error made in taking away the work from the Board of Trade. Mr. Hume declared that "he as a member of the Committee which recommended it was as much to blame as any man in the House. . . . He had come to the conclusion that the Department might merge altogether into the Board of Trade."

Sir William Graham declared that "they were all sensible that they had committed an error . . . and that from making reparation some important advantages might be expected to accrue." And the arch-speculator Hudson, the "railway king," in chastened mood, cried "why not send the business to the Board of Trade at once."*

Amid this orgy of penitence Mr. Gladstone was the only member who put his finger on the real

* Possibly Hudson's attitude was affected by the fact that the Board of Trade in 1845 had reported against the Great Northern project, to which he was strongly hostile, and which was afterwards sanctioned by Parliament in 1846 in the teeth of his opposition. The cost to the Great Northern of its victory is said to have been enormous.

cause of the mischief, viz. the error of Parliament "in creating a body to exercise that control before it determined what the control was to be."

The debate sealed the fate of the Railway Commissioners, though it was not until 1851 that the Act was passed, restoring to the Board of Trade its railway powers and duties.

Looking back in the light of subsequent experience, we can see that the apprehensions entertained in the forties of the dangers of railway amalgamations were much exaggerated, while their benefits to the public were altogether under-rated. The Board of Trade stood consistently for the public interest as then generally understood, and were sacrificed in 1846 to the agitation of the speculators whose schemes they checked. Nevertheless, it may well be doubted if the attempt made under Mr. Gladstone's auspices to bring railway development under departmental control might not, if successful, have hampered the beneficial evolution which has eventually given us our present system of great trunk lines. The attempt was never renewed, at least in the same form. A Departmental Memorandum dated 1872, probably written by Mr. Farrer (afterwards Lord Farrer), the Permanent Secretary of the Board of Trade, referred to the work of Lord Dalhousie's Board in 1845 as "the only vigorous attempt which has ever been made to control and guide the course of railway legislation."

The first year after the reconstitution of the Railway Department of the Board of Trade was one of continued depression, but by 1852, the tide had turned, and a new crop of railway schemes

began to emerge. The Board of Trade being still without any guidance from Parliament as to the principles on which to treat these schemes, a fresh Select Committee was set up in 1853, under the Chairmanship of the President (Mr. Cardwell) to seek for a policy. The Committee recommended that a general Parliamentary Committee should be set up to deal with all railway bills on a more comprehensive principle, and that this Committee should be assisted and advised by the Railway Department of the Board of Trade. Various provisions were recommended for insertion in Railway Bills. The Committee favoured working agreements between railways for limited periods as opposed to permanent amalgamations. Finally, they recommended that railways should be compelled to afford proper facilities for forwarding traffic and forbidden to give unjust preferences. Except as regards the last of these recommendations Mr. Cardwell's effort was hardly more successful than that of his predecessor in 1844. The proposed General Committee on Railway and Canal Bills was indeed established, and the Board of Trade took an active part in advising it. Clauses designed to give effect to the recommendations of the Cardwell Committee were prepared by the Board of Trade and the General Committee ordered them to be inserted in all railway bills. Then the railway companies took alarm, and the House of Commons was annoyed at what appeared to be an attempt to forestall its decision on the general Railway Bill yet to be introduced. Mr. Cardwell's Bill which proposed to give effect to his Committee's recom-

mendations was so transformed in Committee that in the final result the Railway Traffic Act of 1854 was practically limited to the provisions which required railway companies to afford proper forwarding facilities for traffic, and which forbade undue preferences. Meanwhile the "General Committee" after its first burst of activity languished and died unregretted, having entirely failed to accomplish the purpose for which it was instituted.

It is beyond the scope of this book to describe in detail the progress of railway development and of Parliamentary and other inquiries with regard to railway matters during the years which followed.

A lull in the process of construction and amalgamation was succeeded by a new outburst of railway schemes, which was again sharply checked by the financial collapse of 1866, known as the Overend and Gurney crisis. An inquiry by Royal Commission in 1865-1867 was valuable for its collection of information, but was followed by no development or change of Board of Trade activity. But when after the usual period of quiescence yet another wave of amalgamation schemes gathered force in the boom years of the early seventies, the whole railway position was subjected to a very searching inquiry by a Joint Committee of both Houses of Parliament, which is of special interest for the historian of the Board of Trade. The Committee was presided over by Mr. Chichester Fortescue (afterwards Lord Carlingford), the President of the Board of Trade, and its report, which was presented in 1872, is said to have been largely drafted by Mr. Farrer. This important State

document may therefore be taken as reflecting more or less accurately the considered views of the Board of Trade after thirty years of experience with regard to the relations between the Railways and the State, the strength and direction of the tendencies of railway development, and the possibilities of effectively safeguarding the public interest by legislative or administrative action. It is perfectly clear not only from this document but from the unpublished departmental memoranda of the same period that Board of Trade officials had at this date no illusions as to the possibility of maintaining competition among railways as an antidote to combination and monopoly, which, as they observed, had proceeded steadily without check and practically without regulation in spite of the numerous reports and recommendations of a series of authoritative Committees. On the other hand, they were becoming convinced that great amalgamations were not only inevitable, but presented great advantages in the public interest, by making possible the improvement of facilities and the decrease of costs.

The Report of 1872 may be said to mark the end of an epoch in the relations of the State to railways. Henceforth attention was increasingly concentrated on safeguarding the public against certain practical dangers arising from amalgamation, rather than on checking or directing the progress of amalgamation itself.

The first task was to make effective the provisions of the Act of 1854, which nominally compelled railways to give forwarding facilities and to refrain from unjust preferences. The execution of this

Act was entrusted in 1873 to a new tribunal of three Railway Commissioners, which eventually developed into the present Railway and Canal Commission, wielding considerably extended powers. This Commission is a judicial tribunal and not an administrative Board and its history lies outside the scope of the present volume.

With the establishment of a Railway Tribunal independent of the Executive, there was a growing tendency to transfer to the Tribunal duties which in the earlier period of Railway development had been performed either by the Board of Trade or by Parliament itself. Nor, as will be seen below, did this tendency always stop short at the natural limit which separates the proper functions of an executive Department from those of a Court.

The character and limits of the control which could be effectively exercised, whether by the Board of Trade or by the Railway Commissioners over the purely economic actions of the Railway Companies, was soon put to a very severe test, by the emergence of the problem of railway rates as a burning question of the day.

During the earlier period of railway development, Parliament had been content to prescribe maximum rates of charge in private Railway Bills, relying on competition and the law of undue preference to protect the public within the limits of these maxima. But by the date at which we have now arrived the futility of statutory maxima as a protection to the public was becoming generally recognised. It was realised that in the ordinary course of business railway companies had in their own interest

generally reduced their charges far below the maxima fixed in the days of their infancy. Moreover the frequent amalgamations had often made it almost impossible to determine what the legal charging powers of railways really were. To all intents and purposes the charging power of the railways in the seventies was subject to no public control. Traders in the palmy days of British trade supremacy had not troubled much about the amount of the railway charges they paid, so long as they were applied fairly and without preference. But with the deepening of the prolonged depression of trade which began in the late seventies, and the alteration in the competitive position of Great Britain in comparison with foreign countries, the attention of the commercial community was directed more and more to the actual *quantum* of the rates, which they began to compare not only with those charged to their neighbours, but with those which their overseas competitors had to pay for similar services.

In 1882 the whole question of railway charges and classification was considered by a Select Committee of the House of Commons, and in the following years the President of the Board of Trade (Mr. Joseph Chamberlain) made several efforts to deal with the problem by legislation. It was not, however, until 1888 that an Act was passed, which imposed on the Board of Trade the duty of framing and proposing to Parliament a revised and uniform classification of goods and schedules of maximum rates, which when approved by Parliament should supersede all existing schedules. As usual the Board of Trade

were left without guidance as to the principles on which to proceed. Two special Commissioners appointed by the Board of Trade (Lord Balfour of Burleigh and Sir Courtenay Boyle) held a prolonged inquiry into Railway Rates in 1889-1890, and eventually the Board of Trade submitted to Parliament thirty-five "Provisional Orders" to give effect to the Commissioners' Reports.

These Orders, which were confirmed by Parliament in 1891 and 1892 subject to certain amendments, were founded on the principle that the new maximum rates should, generally speaking, be based on the existing rates which the Railway Companies were charging, with a reasonable margin for contingencies.

The magnitude and difficulty of the task performed by the Board of Trade in pursuance of the Act of 1888 was colossal, but in mere volume of labour it was at least equalled by the task which the new classification and maximum rates immediately imposed on the Railway Companies, who had to recast the whole of their charges, from and to all the Railway Stations on their systems, within a comparatively short space of time, for the new Orders took effect at the beginning of 1893. Whether with the greatest goodwill the Companies could have fulfilled their obligations within the allotted time it is difficult to say. Certainly in some cases the goodwill was wanting. There was in fact something like a mutiny, and when the critical day arrived it was found that in a large number of cases the "special rates" which traders had previously enjoyed, but to which they had no legal title, had been cancelled and not replaced.

In a moment the Board of Trade became the focus of a furious traders' agitation, directed not against the government but against the railway companies who were thought to have abused their position. All manner of schemes to "bring them to their senses" were promulgated only to be discarded, but after a Parliamentary inquiry the President of the Board of Trade introduced and carried a measure (the Railway and Canal Traffic Act of 1894) which forbade any increase of railway rates above those in force at the beginning of 1893 unless "justified" before the Railway and Canal Commission. Thus at a stroke a judicial tribunal was saddled with the duty of determining by methods of litigation between parties what was a purely economic question, and the history of the next twenty years furnishes evidence of the inherent impossibility of the task.

Up to the time of the transformation of the relations between the railways and the State effected by the Act of 1921, the railway companies never ceased to protest against the Act of 1894, for which, however, their own bad statesmanship was largely responsible. One modification in the rigour of the Act was made, not without great difficulty, in 1913, when in pursuance of an undertaking given to the companies by the President of the Board of Trade in the throes of the Railway Strike of 1911, it was enacted in effect that any increase in the cost of carrying goods traffic, shown to be due to any improvement in the conditions of employment thereafter accorded, should be accepted as justifying an increase of railway rates.

The extreme difficulty with which the House of Commons was induced to honour the government's pledge proved how deeply the memory of the events of 1892-1893 had sunk into the men's minds.

One effect of the anomalous legislation of 1894 was undoubtedly to restrain Railway Companies, either singly or in combination, from initiating or permitting experimental reductions of rates to meet the needs of traders, since they could no longer count on being able to restore the former rates if the experiment should fail. This hardening of the attitude of the Companies towards reductions of rates, coupled with the accumulating evidence of the unsatisfactory results of rate-fixing by means of piecemeal decisions of a Court, gave a great stimulus in the decade preceding the Great War to the movement for a thorough revision of the relations between the railways and the State. An informal conference to consider railway policy representing Departments, railway companies and traders was instituted by the President of the Board of Trade, and met from time to time during the years 1908-1909, and, though its report led to no definite legislation, the interchange of views was of great value in forming public opinion, and also in guiding the Railway Department on a number of minor questions.

Though the Board of Trade were not directly charged with the fixing of actual railway charges, the Act of 1888 put on them two duties which had a direct bearing on such charges. The first duty was to fix the classification of any article of merchandise for which provision was not made in

the statutory classification. As the "class rates" depended on classification this minor duty gave the Board of Trade a certain influence on railway charges for new articles of traffic. The second duty was imposed by the well-known "Conciliation" section (s. 31) of the Act of 1888, which authorised the Board of Trade to mediate between Railway Companies and traders in cases of dispute but without any power of imposing a settlement. Under this section the Board of Trade performed a large amount of very useful though unostentatious work by purely conciliatory procedure. Altogether up to the outbreak of the war about 2,500 cases had arisen under the section, in about half of which an agreement, in whole or in part, had been arrived at. It is a matter of some historic interest that the Railway Conciliation procedure afforded the model for the original Conciliation Act of 1896 which was the parent of all subsequent legislation and administrative action for the settlement of labour disputes.

A mark of the changing attitude of the public towards railway control was the appointment in 1913 of a strong Royal Commission to consider the whole question of the relations between the State and the railways. The proceedings of the Commission, however, were interrupted by the War, and during the next four years the whole conditions of the problem were so profoundly changed that the Royal Commission never resumed its labours.

On the day when the war broke out the Government assumed control of the entire railway system which was thenceforth operated as a whole by a

Committee of General Managers responsible to the Board of Trade. A financial guarantee was given against loss caused to the companies by this system. The general scheme of this volume does not admit of the inclusion of any account of the war activities of the Board of Trade, but it will be readily understood that the compulsory co-operation in the common interest of all railway companies during those critical years yielded a rich fund of fresh knowledge and experience as to the advantages and weaknesses of unified management, which the government had to take into account, as well as the fulfilment of their financial guarantees, in arriving at the momentous decision as to the future control of the railways after the end of the war. The nature of that decision is well known, viz. to restore the railways to private management, but to encourage and in the last resort to compel great "districting" amalgamations, while the fixing of railway charges was entrusted to a Railway Rates Tribunal, quite separate from the Railway and Canal Commission, and guided for the first time in railway history by a definite statutory principle, viz. that the combined effect of all the rates fixed should as near as may be provide the companies if efficiently managed with the net revenue which they enjoyed just before the war. At the same time joint machinery for dealing with labour difficulties was established. The whole scheme became law in 1921. Two years earlier practically the whole of the Board of Trade functions with regard to railways were transferred to the newly constituted "Ministry of Transport." The only

exception was the Conciliation work already described, which continued to be performed by the Board of Trade for two more years. As from the beginning of 1928, when the new system of rates takes effect, the Conciliation section definitely lapses, but it has already ceased to operate in practice. At this point therefore our account must end, leaving to another historian to describe the events of the critical years which followed the war.

In the above sketch, so as to avoid interrupting the historical sequence, little has been said of what in fact were from the outset the chief statutory duties of the Board of Trade in respect of railways, viz. the protection of the safety of the public, and (to an increasing extent in later years) the safety and well-being of railway employees.

No railway could be opened for public traffic until inspected by the Board's Officers, who also held inquiries and published reports with regard to railway accidents. The performance of these important and delicate duties by the Inspecting Officers of the Board has undoubtedly had a very wholesome effect, and has materially conduced to the high standard of public safety for which British railways have long had an unrivalled reputation. The Board of Trade never possessed nor desired to possess powers to enforce the recommendations contained in the Reports of their Inspecting Officers on railway accidents. But in spite, or perhaps in consequence, of this absence of coercive powers these recommendations always carried a very great moral weight with the Companies.

A measure specially intended to promote the

safety of railway employees was the Railway Employment (Prevention of Accidents) Act, 1900, which empowered the Board of Trade, subject to appeal to the Railway and Canal Commission, to make rules or orders enforcing the use or disuse of plant, appliances or working methods in the interest of the safety of persons employed. Under this Act the Board of Trade made rules dealing with a number of matters, including power brakes on engines, lighting of stations and sidings, etc. A defect in the Act was that the Railway and Canal Commission, to whom a railway company could appeal against a proposed rule, had only power to confirm or reject, and could not amend the draft. If a proposed rule were rejected the whole procedure, notices, objections, inquiry and so on had to be gone through again.

Another duty imposed in 1893 on the Board of Trade in the interests of the employees was that of inquiring into complaints as to the hours of work of various classes of railway employees. The Board had already power under an Act of 1889 to obtain returns of hours worked in excess of a specified limit. Under the Act of 1893 they could order the adoption of revised schedules of hours where the complaints appeared to them reasonable, and they could take an objecting company before the Railway and Canal Commission. The power of inquiry was widely exercised, especially with regard to classes of men (e.g. signalmen) whose work affects the public safety, and in a large number of cases reductions were effected without the necessity of using compulsion. Eventually these

provisions were rendered obsolete by the labour machinery established by the Act of 1921.

The care of the Board of Trade for the interests of the public has not been wholly confined to their material welfare, comfort and safety. The Light Railways Act, 1896, expressly enabled them when authorising a Light Railway to take into account possible injury to natural scenery, and in certain cases provisions were inserted in Light Railway Orders designed to protect the beauty of the district penetrated.

There have always been two schools of thought with regard to State intervention in the working of private enterprises to protect the safety and welfare of the public and of the employees. The one school tends to rely more on coercive action, the other on persuasion and the effect of public opinion. Some people lay chief stress on the possibility that the interests of safety may be neglected by uncontrolled undertakings based on private profit, while others regard as the major danger the possible weakening of the sense of responsibility on the part of the companies, through excessive or meticulous regulation. Between these two schools of thought the Board of Trade may justly claim to have held the balance even and steady. The great bulk of the work of the Board of Trade for the promotion of safety and welfare was effected without recourse to compulsion, and the existence in certain cases of coercive powers in the background served rather to strengthen the hands of the Department in negotiation than to supersede its efforts to reach

a solution by consent. In all these matters it was a great advantage that the Board of Trade were not as a rule handicapped by fitful and capricious changes of public opinion, such as rendered impossible any continuous or coherent policy in respect of railway development and charges.

There remain a number of miscellaneous duties exercised by the Board of Trade with regard to railways and kindred matters of which a mere enumeration must suffice, e.g. the approval of Railway and Canal bye-laws, the grant of compulsory power to a railway company to take additional land where required for the public safety, the appointment of arbitrators or umpires in certain cases of dispute, the confirmation of Light Railway Orders, the authorisation of abandonment of derelict or unnecessary canals, the inquiry into complaints under the Cheap Trains Act, 1883, and certain duties with regard both to tramways and light railways, analogous to those possessed with regard to railways. All these powers and duties passed in 1919 to the Ministry of Transport.

Chapter VII

THE BOARD OF TRADE AND INDUSTRY

THE character and extent of the functions performed by the Board of Trade in relation to industries and manufactures have undergone wide variations at different periods of the Board's history, in accordance with changes in the dominant public opinion of the day as to the attitude of the State towards private enterprise. And these fluctuations of opinion have often depended, to a degree not always recognised, on critical changes in the general trend of British trade and industry in relation to foreign competition and world markets.

The present Department of the Board of Trade which deals with industries and manufactures is quite a modern creation, having been established at the beginning of 1918 as the result of an inquiry by a Departmental Committee into the work and organisation of the Board. The governing idea was that at the end of the war, which was then still raging, a special administrative organ would be necessary to deal with reconstruction problems affecting British manufactures, as distinct from external commerce, and at the same time to deal with questions of policy connected with trade monopolies and combinations, the supply of raw materials, the simplification and standardisation of production and similar matters. To the new

Department were also transferred after a short time certain duties of a kindred nature already performed by other branches of the Board of Trade, e.g. the authorisation and regulation of gas supply undertakings, the supervision of the standards of weight and measure and the like.

This Department in fact owed its birth to the experience gained during the Great War, and the acute realisation of certain weaknesses in our industrial position revealed by that experience. As will be seen below, it was not long before important additional duties were imposed on the Department mostly as the direct result of the lessons of the war.

It must not, however, be supposed that before 1918 the Board of Trade had been charged with no duties with regard to industry as distinct from trade. The more important of the duties of this kind imposed on the Board of Trade by Parliament are dealt with below. But quite apart from these specific duties the general function of promoting and safeguarding British industries and manufactures forms part of the heritage bequeathed to the modern Board of Trade by its forerunners of the seventeenth and eighteenth centuries.

The "Instructions for the Council of Trade" of 1660 expressly prescribed: "Ye are to consider of the several manufactures of these our Kingdoms how and by what occasions they are corrupted debased and disparaged. And by what probable means they may be restored and maintained in their ancient goodness and reputation. . . . Ye are also to take into your consideration all the native commodities of the growth and production of these

our Kingdoms and how they may be ordered, nourished and manufactured to the employment of our people and to the best advantage of the publique."* Similar instructions figured in the reference to William III's Board of Trade, and a glance at the minute books of the Board, in the years immediately following its reconstitution by William Pitt, shows that its functions with regard to industry and manufacture, though performed in a somewhat fitful and unsystematic manner, occupied in the aggregate no insignificant part of the Board's energies until they were diverted into other channels by the necessities of the French War.

Before the rise of the free trade movement the dominant method of encouraging British manufactures was to protect them from outside competition by means of import duties and prohibitions or of bounties on home production, while endeavouring to safeguard supplies of essential materials by restrictions on their export. In the carrying out of this policy the Board of Trade continually assisted by information, investigation and advice. Measures of this kind, however, were supplemented by other methods of fostering particular industries, e.g. by the encouragement of industrial inventions or the opening up of new sources of supply of raw materials.

In the light of recent developments it is of special interest to note that between the years 1787 and 1790 the Board of Trade made considerable efforts, with the assistance of Sir Joseph Banks (then President of the Royal Society) to improve

* Articles 4 and 5. See Appendix II.

and extend the growing of cotton in various parts of the Empire. For this purpose they procured cotton seed from Persia and India and distributed it to the West Indian Colonies, watching the results of the experiment in co-operation with the Manchester trade. The minute books of the period abound in references to these experiments,* as well as to the embarrassment caused to the Lords of the Committee by the extravagance of one Anthony Pantaleon Hove, who was sent, on Sir Joseph Banks' advice, on a mission to Bombay to obtain cotton seed with authority to expend £300 and who subsequently sent in an account for £3,000.

Experiments in new dyestuffs were also made in 1787 in co-operation with the Dyers Company, and in 1792 the Board investigated an alleged "ring" and price agreement in the Copper industry. These are only three examples culled from the old Board of Trade minute books, but they happen to relate to three of the outstanding problems which occupy the attention of the Industries and Manufactures Department to-day, viz. the encouragement of Empire cotton-growing and British dyes, and the watching of combinations in the public interest.

This sporadic though useful activity was naturally interrupted during the long period of the Napoleonic wars, when, as already indicated in a previous chapter, the Board of Trade became engrossed

* Minutes, July 18th, December 7th and 15th, 1787; October 31st, November 29th, 1788; March 29th, 1789; January 14th, 16th, 1790. The full records of Hove's Mission are preserved (in M.S.) in B. T. 6, 246 (Record Office).

with war problems, e.g. questions of blockade and trading with the enemy, the supply of essential foodstuffs and war materials.

In the period following the peace of 1815 the growing ascendancy of free trade and *laissez faire* doctrine, as well as the increasing absorption of the Board of Trade in the new and complicated problems arising from the growth of railways, steam navigation and joint stock companies, were unfavourable to the revival of any policy of directly fostering manufacture. For nearly a century, therefore, the principal methods by which the Board of Trade aimed at fostering British industry were indirect, viz. the establishment on a sound basis of the fundamental conditions of general industrial development, rather than the direct promotion or protection of particular branches of manufacture.

These general "industrial" activities of the Board of Trade during the century 1815 to 1914 may be classified under seven principal heads:—

(1) The promotion of the arts and sciences underlying industry.

(2) The protection of honest industry and commerce by maintaining and enforcing uniform standards of weight and measure.

(3) The safeguarding against piracy of all forms of "industrial property," i.e. industrial inventions, designs and characteristic marks.

(4) The provision of means of financing the industrial enterprise evoked by the technical discoveries and inventions of the age, by recognising and encouraging joint stock companies and safeguarding the public interest in relation thereto.

(5) The authorisation of various forms of "public utility" undertakings, and the safeguarding of the interests of consumers and traders against the danger of monopoly.

(6) The protection of commercial credit by a just bankruptcy administration.

(7) The improvement of industrial relations by facilitating the settlement of labour disputes and by provision for unemployment insurance.

Not all the above functions have been performed by the Board of Trade at the same time. For example, the Board's functions with regard to the arts and sciences were transferred to the Education Department in 1856 before the Board of Trade became charged with the maintenance of the Standards or with the general administration of Company Law. The duties of the Board of Trade with regard to Bankruptcy and industrial relations only date from the latter years of the nineteenth century.

Still later the experience of the Great War led to an enlargement of the industrial functions of the Board of Trade for the purpose of safeguarding certain industries which are regarded as essential or as threatened by unfair competition. The same experience led the Board to take once more an active interest in the security of supplies of essential raw materials and in particular to co-operate in the promotion of cotton-growing within the Empire.

Of the above-mentioned branches of activity the protection of industrial property presents such special features that it is described in a separate

chapter (see p. 193). Each of the other subjects is dealt with in the following pages.

Industrial Art and Science

The industrial arts and sciences form the indispensable foundations of modern manufacture.

One effect of the great transformation of industrial processes by the introduction of steam power and mechanical inventions, which is generally known as the Industrial Revolution, was to destroy the continuity of the old craft traditions, and to necessitate a difficult readjustment between the arts of design and the processes of manufacture, which is still far from complete. The chaotic condition of industrial art which followed, and the need for public action to counteract the deplorable results on British manufacture, were brought out clearly in the Report of the Select Committee of 1835-1836 presided over by Mr. William Ewart. As a result of the recommendations of this Committee a Government School of Design under the superintendence of the Board of Trade was established in 1837 in rooms in Somerset House formerly occupied by the Royal Academy. Four years later steps were taken to assist the formation and maintenance of Schools of Design in the manufacturing districts. In the earlier years the organisation was controlled, on behalf of the Board of Trade, by a Council of Royal Academicians and others, but in 1852, as the result of the adverse report of a Select Committee, the Council was abolished and a "Department of Practical Art" with a General

Superintendent and Art adviser was substituted. This was the germ of the "Science and Art Department." In 1853 a new step forward was taken, due partly to the stimulus of the Great Exhibition of 1851, and partly to the large surplus fund which (in marked contrast to the experience of more recent exhibitions) resulted therefrom. A Science Division was added, the title was changed to the "Department of Science and Art," and a site at South Kensington was acquired for the erection of a Museum and Art and Science Schools.

Meanwhile increased efforts were made by the Board of Trade to develop local schools of art, and for this purpose a class for the training of teachers was established first at Somerset House and afterwards at Marlborough House, in addition to the School of Design, which included design for woven fabrics, paper staining, metal work, architecture and construction, and for the teaching of porcelain painting, wood engraving, lithography, casting and moulding.

Meanwhile the foundations were being laid of a National Art Museum. In the first place models, casts, prints, copies of examples, etc., were gradually purchased for the purpose of Schools of Design, and stored in Somerset House. In 1851 selected objects from the Great Exhibition were purchased by a Committee appointed by the Board of Trade on the ground of the "excellence of their art or workmanship." These, with the objects stored in Somerset House and loans from various quarters, were arranged at Marlborough House, and opened by the Queen as a Museum of Ornamental Art in

1852. Such was the humble beginning of the great collection now known as the Victoria and Albert Museum. The new Science Division included provision for a Government School of Mines and of Science applied to the Arts, together with a Science Museum, and also for certain assistance to other science schools and classes. The general system of grants for science teaching, however, belongs to a later stage of development, after the whole organisation had passed out of the control of the Board of Trade.

This transfer took place in 1856 when an Education Department was constituted by Order in Council to take charge both of the "Educational establishment of the Privy Council" and "the establishment for the encouragement of science and art now under the direction of the Board of Trade and called the Department of Science and Art." For half a century from this date the Board of Trade played no direct part in the development of the relations of the State to industrial art and science.

The first step in the renewal of the connection was the establishment in 1899 of the National Physical Laboratory, with the object of standardising and verifying instruments, testing materials and determining physical constants. In its earlier years the Laboratory was controlled by a Board representing the Royal Society and certain technical associations, but it received a State subsidy both in respect of capital and current expenditure, and the Permanent Secretary of the Board of Trade was consequently a member of the Executive

Council. Some of the functions of the National Physical Laboratory were closely akin to duties performed by the Standards Department of the Board of Trade, which for many years maintained an electrical laboratory for the verification of electrical constants. The National Physical Laboratory is now a State controlled undertaking under the direction of the Department of Industrial and Scientific Research. The relations between this Department and the Board of Trade are described on page 190, and an account of the history and work of the Standards Department will be found on page 158.

Reverting to the question of industrial art, we find that in the years immediately preceding and following the Great War of 1914-1918 renewed misgivings were widely felt as to the artistic quality of British manufactures, the deficiencies of which were sometimes attributed to the inadequacy of the national provision for industrial art training, sometimes to the failure of manufacturers to respond by taking advantage of the facilities afforded. The rising tide of criticism and misgivings was doubtless largely due to the "Arts and Crafts" movement inspired by William Morris and his associates, but on the manufacturing side it was also closely connected with the profound change which was taking place in the position of British trade in relation to foreign competition—a change the full implications of which were only gradually realised, after the long period of continuous expansion and unchallenged dominance came to an end in the last quarter of the nineteenth century.

During the decade immediately preceding the War the experience gained by the Exhibitions Branch of the Board of Trade in organising exhibitions of British industrial art abroad made more and more clear the need for further action to bridge the gap between the art school and the manufacturer, and the growing consciousness of this need once more brought the Board of Trade and the Board of Education together. In the year after the War the two Departments co-operated in establishing a joint corporation entitled the British Institute of Industrial Art, whose main concern should be to raise and maintain the standard of the industrial arts in Great Britain, by such methods as Exhibitions, information and advice, and special research. To describe in detail the work of the Institute would be outside the scope of the present volume. It is governed by a Council appointed jointly by the two parent Departments, but in other respects the Institute is autonomous.*

Besides organising exhibitions from time to time in London and the provinces and abroad, the Institute maintains a small permanent Collection of modern British Industrial Art in the North Court of the Victoria and Albert Museum. Both the Director of that Museum and the head of the Industries and Manufactures Department of the Board of Trade are members of the Council of the Institute, whose research work is already yielding hopeful results.

* The Institute received an initial grant from the Treasury, but at present it is financially self-contained.

The Imperial Standards

In the Instructions to the Council of Trade in 1660 the Council is enjoined to consider how the manufactures of the kingdom "may be further improved to their utmost advantage by a just Regulation and Standard of Weight, Length and Breadth, that so the private profit of the Tradesmen or Merchants may not destroy ye credit of the Comodity and thereby render it neglected and unvended abroad, to the great loss and scandall of these our Kingdoms."*

It was not, however, until 1866 that the Board of Trade were definitely constituted by Act of Parliament the custodians of the Imperial Standards. Since that date by successive Acts of Parliament (notably those of 1878, 1889 and 1904) they have been entrusted with a certain measure of control over local standards, and with the framing or approval of regulations for the guidance of local Inspectors of Weights and Measures.

The first-mentioned function, viz. the custody, verification and comparison of the Standards, requires a high degree of scientific qualification, but by far the greater volume of the current business of the Standards Department of the Board of Trade is concerned with the administrative work of ensuring the use of proper weights and measures in trade.

It is impossible here to trace the origin and history of the British Standards, or of early efforts to enforce uniformity against the highly resisting forces of local and trade custom. Enactments for

* Article 4. See Appendix II.

this purpose go back to the time of Edgar, and are repeated in Magna Carta. A system of inspection of weights and measures was instituted by Edward I, and laws of Henry VII, Elizabeth and later reigns continually renewed the attempt at uniformity. Nevertheless a Justices' Manual of 1728 declared that the custom of the place is to be observed in all these matters, and proceeded to give some illustrations. "A stone of pepper, cinnamon or sugar is $13\frac{1}{2}$ lbs. In Essex butter and cheese are sold by the clove or half-stone, allowing 8 lbs. to the clove. Wool is sold by the clove allowing 7 lbs. to the clove. Butchers allow but 8 lbs. to the stone in selling flesh. Six score cattle make a hundred; 56 lbs. of butter or 60 lbs. of soap make a firkin, and two firkins of either make a barrel, for butter must be measured as soap." There were until 1824 two competing pounds (Avoirdupois and Troy) forming part of two distinct systems and unrelated to each other. Three separate gallons (the Wine gallon,* Ale gallon and Corn gallon) were all legal.

The British standards were unaffected by the new "metric system" established on the Continent after the French Revolution,† but in 1824 a unifying and consolidating Act was passed which specified the yard and Troy pound as the fundamental standards, while establishing a definite relation between the Troy and Avoirdupois systems, and defining the "Imperial Gallon." The new "Im-

* The wine gallon (about five-sixths of the present Imperial gallon) is still the American gallon.

† The use of this system has, however, been legal since 1897, and Metric Standards are kept by the Department.

perial Standards" were entrusted to the Clerk of the House of Commons and perished in the Fire of 1834, but copies (known as "Exchequer Standards") were deposited in the Exchequer Office and other copies were distributed to different parts of the country. After prolonged labour new Standards (which are the present Imperial Standards) were constructed in 1855 and placed in the Office of the Exchequer, while copies (entitled "Parliamentary Copies") were deposited for safety with the Mint, the Royal Observatory and the Royal Society, and immured in the masonry of the new Houses of Parliament. How little care was taken of the Exchequer Standards is shown by the Report of the Comptroller-General of the Exchequer in 1866 that the Avoirdupois pound "is actually at the present time in a most unsatisfactory condition, oxidated on the surface, practically erroneous on the face of it, and known to be erroneous."

By the Standards Act of 1866 the custody of the Standards was transferred to the Board of Trade, and next year a Royal Commission, presided over by the Astronomer Royal (Sir George Airy), was set up to direct and superintend the steps to be taken to ensure and maintain the efficiency of the Standards. This Commission continued in existence until 1870. In 1878 a new Act (which among other things finally abolished the Troy pound*) made systematic provision for the comparison of the "Parliamentary Copies" of the Standards *inter se* every ten years, and with the Imperial Standards every twenty years.

* The Troy pound ceased to be a fundamental standard in 1855.

This delicate and responsible task of verification and comparison (which is essential to ensure that the copies can be relied on in case replacement should be necessary) has ever since been the fundamental duty of the Standards Department of the Board of Trade.

The actual standard yard is a bronze bar of "Baily's metal" (an alloy of copper, tin and zinc named after one of the members of the Committee of 1843). The bar is thirty-eight inches long and the yard is the distance at 62° F. between the middle points of two gold studs embedded in the bar. It is thus an entirely arbitrary material standard, and though the Act of 1824 prescribed that if lost it should be replaced by reference to the length of a pendulum beating seconds in London, it was soon found in practice that this method gave less accurate results than the use of copies of the destroyed standards. In recent years, however, the attention of the metrologists has been directed to another method of measurement based on certain wave lengths of light, and an apparatus for this purpose is now in the Standards Department.

The extreme delicacy of the work of comparing standards of length may be judged by the fact that a difference of $\frac{1}{4}^{\circ}$ F. in temperature makes a difference of one ten-thousandth part of an inch in the length of the Standard Yard, and comparisons are usually made to one-tenth part of this.

The actual administrative work of inspecting traders' weights and measures is carried out by officers of County or Borough Councils. Formerly such inspection was often a valuable privilege of

the lords of manors, and it is only in comparatively modern times that these vested interests have been abolished, sometimes by purchase. The first appointment of official Examiners of Weights and Measures was made in 1795, the officers being appointed by the Justices. From 1859 onward municipalities gradually acquired the right to appoint inspectors, and the various enactments were consolidated by the Act of 1878, which, however, still reserved manorial privileges until the vested interests had been acquired.

The inevitable result of administering weights and measures on a purely local basis was a wide and undesirable diversity of practice, in a matter in which uniformity, at least of principle, is of great importance. For the purpose of introducing some measure of assimilation, if not of uniformity, the Board of Trade were empowered in 1889 to approve the regulations made by Local Authorities for the guidance of their inspectors. In pursuance of this authority the Board issued a set of model Regulations, which though without compulsory force were in fact adopted by many Local Authorities. In 1904 the Board were further empowered to make general regulations for the guidance of inspectors, and Local Authorities are now bound to see that their inspectors comply with these regulations.

The work of re-verifying inspectors' standards is mostly (though not entirely) carried out at headquarters in Old Palace Yard. In addition the Standards Department undertakes verification on behalf of Government Departments, the Govern-

ment of India, Colonial Governments, etc., but the work of re-verifying the standards used by local inspectors constitutes the great bulk of the work. The number of such local standards and scale beams annually re-verified by the Department is more than 6,000, of which over three-quarters are standards of weight.

One branch of work of considerable and increasing importance and difficulty is the carrying out of the provision of the Act of 1904 which empowered the Board of Trade to certify any pattern of weighing or measuring instrument, or of weight or measure, which they considered satisfactory in principle and material of construction, and not of a nature to facilitate the perpetration of fraud. This measure was necessitated by the diversity of opinion among inspectors, as to the merits or demerits of certain types of instruments, so that the same instrument might be legal in some areas and illegal in others. Under the present system the Board of Trade decision is binding on all inspectors.

It should be added that all local inspectors are bound to pass an examination which is conducted by the staff of the Standards Department.

The actual verification of traders' weights and measures is carried out by the inspectors in some 300 Weights and Measures offices in return for fees regulated by Order in Council, and inspectors are also empowered, with the authority of the Board of Trade, to undertake the adjustment of weights and measures in return for fees. Until 1926 there was no general power to require measuring instruments to be stamped, but particular classes

of such instruments were brought under control by special Acts of Parliament. Thus gas meters have long been controlled and an Act of 1919 provided for the compulsory stamping of leather measuring instruments. Before the Act of 1926 brought kerbside measuring pumps for the supply of petrol under control, the Standards Department tested and certified such petrol pumps as were voluntarily submitted to their examination. Another Act of 1926 was the Sale of Food (Weights and Measures) Act, which made the giving of short weight, measure or number in the sale of food a criminal offence and prescribed conditions as to the sale of certain foodstuffs in packages. The Act gave considerable regulative powers to the Board of Trade which are exercised through the Standards Department.

Among the many other miscellaneous functions of the Standards Department are the approval of local bye-laws relating to the sale of coal, the conduct of examinations of inspectors of gas meters, the verification of apparatus for testing the flash point of oils, and questions relating to the Hall-marking of gold and silver goods. The Standards Department is also responsible for the custody of the standard coin weights and standard plates of gold and silver, and has to produce them annually at Goldsmiths' Hall for the time honoured verification of the coinage known as the "Trial of the Pyx," a function which has been performed every year for centuries by the Worshipful Company of Goldsmiths.

As the present head of the Standards Department

is also head of the metrology branch of the National Physical Laboratory, there is close co-ordination between the work of the two bodies.

Joint Stock Enterprise

When the late Lord Bramwell playfully suggested that the word "limited" should be inscribed on his tombstone, he did not exaggerate the momentous importance of the brilliant though simple idea which occurred to him during the proceedings of the Royal Commission of 1853 on the law of partnership. While some of his colleagues were apprehensive of danger to the public from the novel method of trading by limited liability companies, Lord Bramwell invented the happy solution of requiring all such companies to add the warning word "limited" to their names.

The adoption of this precaution in the Act of 1855 was the fitting and necessary complement to the legislation which had already removed most of the legal obstacles to the free development of joint stock enterprise.

In this beneficent revolution the Board of Trade played an important part. William Huskisson, when President of the Board, carried in 1825 the repeal of the "Bubble Act" which for more than a century had branded joint stock companies as public nuisances. Mr. Gladstone, when President of the Board in 1844, carried the Act establishing a Register of Joint Stock Companies, and enabling companies to acquire corporate privileges by the simple process of registration without resort to special Acts of

Parliament or Royal Charters. It was Gladstone also who prepared and introduced the Companies Clauses Consolidation Bill, which was eventually carried by his successor in 1845, and which through the means of model clauses afforded very valuable guidance to company development especially in its early stages.

The actual discovery of the principle of joint stock trading with limited liability, does not belong to the nineteenth century, the principle having been already applied to a certain number of trading companies (e.g. the East India Company) incorporated under Charter or special Act of Parliament. But the generalisation of this type of associated trading, through the simple method of registration and the use of the word "limited," constituted an economic invention worthy to be ranked with the great mechanical inventions of the period in the importance of its consequences.

Up to the year 1825 the law of England had looked with marked disfavour on all forms of trading association other than simple partnerships with unlimited liability or privileged corporations with no liability on individual members. The antipathy of English lawyers to joint stock enterprise found vent in the so-called "Bubble Act" of 1719 which was originally passed at the instance of the notorious South Sea Company to crush its numerous rivals. Under this law not only was the formation of joint stock companies prohibited, but all such undertakings were treated as public nuisances.* But, though the "Bubble Act" remained on the statute

* Scottish Law was in this respect in advance of England.

book for over a century, it was utterly powerless to resist the growing forces which were inexorably compelling men to seek more elastic methods of industrial finance and organisation, in order that the technical inventions which marked the age of the Industrial Revolution should be economically fruitful.

The Acts of Parliament already mentioned which enabled joint stock enterprise to develop freely were consolidated by the Companies Act of 1862, which until the year 1908 was the "principal Act" relating to joint stock companies.

None of the above measures nor any of those which succeeded them have left a legacy of departmental work to the Board of Trade comparable in volume or importance with the administration of the Merchant Shipping or Railway Regulation Acts. It was indeed of the essence of the new development of joint stock enterprise that it should be as free as possible from departmental control. The aim of the earlier Companies Acts was liberation rather than regulation, and when the inevitable abuses arising out of the new privileges required from time to time to be corrected by Parliament, the corrective was usually applied (or at least attempted) through the machinery of the Courts rather than through the administrative agency of any Department of State.

There were of course certain exceptions. The Board of Trade were given discretion to authorise certain acts, such as the change of name of a company, the omission of the word "limited," the holding of land by companies not for profit, or the payment of interest out of capital during

construction. They were also empowered in certain circumstances to appoint inspectors or auditors. But broadly speaking the part played by the Board of Trade in relation to the movement which has revolutionised the structure of industry, has been that of a vigilant onlooker rather than of a continuous supervisor. At intervals the Board have taken the initiative (e.g. in 1894, 1905 and 1925) in setting up strong expert Committees to review the whole position and to recommend remedies for any abuses or difficulties that may have arisen. The results of the labours of these Committees have been the amending Acts of 1900 and 1907, the Consolidation Act of 1908 and the proposed amending Bill now before the House of Commons.

The function of the Board of Trade with regard to the liquidation of companies is of a different order from those described above, and is closely analogous to the Board's jurisdiction in respect of bankrupt estates, which is described below. Until the year 1904, when the Companies Department was established as a separate entity, these duties were performed by the Bankruptcy Department, and the Companies Department still uses as its provincial agents the Official Receivers on the staff of the Inspector-General of Bankruptcy.

For the purpose of compulsory liquidations in London there is an office in Carey Street with a senior Official Receiver, an Official Receiver and Assistants who are solely concerned with the winding up of companies. When the Court has made an Order for compulsory liquidation the Official Receiver as *ex officio* provisional liquidator has to

protect the property of the company, to call and preside over meetings of creditors and shareholders, to report to the Court and, unless the Court appoints another liquidator, to wind up the company. In case of fraud by directors or promoters he usually conducts any public examination ordered by the Court. About two-thirds of all Winding-up Orders are made in the High Court, most of the remainder being made in the various County Courts and a few in the Palatine Courts.

Before 1904 the duties of the Board of Trade under the Companies Acts (other than the business of winding up) were performed first by the Railway Department and later by the Finance and General Department. Since 1904 all the duties of the Board of Trade with regard to companies in general, including the supervision of the accounts of assurance companies, have been gradually concentrated in the Companies Department, which also acts as the organ of the Board of Trade for performing certain analogous functions, e.g. those arising under the Registration of Business Names Act, the Art Unions Act, etc.

Duties, however, with regard to special classes of companies incorporated under Special Act or Provisional Order, such as those described in the following section, have never been carried out by the Companies Department.

Bankruptcy

An essential element in the fostering and regulation of trade and industry is the protection of the interest

of creditors in the event of the failure of a trader to meet his obligations. This duty, however, is a comparatively recent accretion to the functions of the Board of Trade, dating only from the year 1883. When Mr. Joseph Chamberlain became President of the Board in 1880 he found himself confronted by a formidable Memorial signed by a large and influential body of bankers and merchants of the City of London, which had been presented in the previous year to the then Prime Minister. The complaint of the Memorial with regard to the existing Bankruptcy Law and Administration, and the alarming increase of insolvency, led to exhaustive inquiries on the part of the Board of Trade which resulted in the Bankruptcy Act of 1883. This Act, though repeatedly amended in detail, still forms the basis of Bankruptcy Administration.

To understand the nature of the revolution in law and practice effected by this great measure, it is necessary to glance briefly at the previous state of affairs and the causes of the failure of successive attempts to find an effective solution of the problem.

Early bankruptcy law was concerned solely with the punishment of fraudulent bankrupts and the protection of their creditors. It was solely criminal in its basis, and made no provision for the release of the debtor from his obligations. Thus the earliest English Bankruptcy Act (1542-1543) defined bankrupts as persons "who craftily obtaining into their own hands great substance of other men's goods do suddenly flee to parts unknown not minding

to pay or return to pay any of their creditors their debts and duties but at their own wills and pleasures consume the substance obtained from other men for their own pleasure and delicate living, against all reason, equity and good conscience." The penalty prescribed by the Act of 1623 for non-disclosure of his property by the bankrupt was to be "set upon the pillory in some publick place for the space of two hours and to have one of his or her ears nailed to the pillory and cut off." But England, like all other modern civilised States, found it necessary to qualify the severity of the attitude of the law towards the fraudulent defaulter, by establishing some procedure whereby the innocent debtor who cannot pay his debts in full may be enabled to start afresh as a new man, on certain conditions including the cession of his property to his creditors. This idea (combined of course with the prevention and punishment of fraud) is the fundamental basis of modern bankruptcy law. It is obvious, however, that the new conception introduced fresh problems and dangers against which safeguards were necessary. The immediate interest of the creditors is that the highest possible percentage of their claims should be satisfied with the least delay and expense; the interest of the debtor (especially if fraudulent) is to avoid exposure and disgrace and to obtain release on as easy terms as possible; the interest of the public is to promote honest trade and to repress fraudulent practices. The problem of reconciling the permanent interests of the public with the immediate interests of the creditors has proved in practice a very difficult one.

Up to 1825 the principle was strictly enforced that the whole procedure should be supervised by the Court exercising jurisdiction in bankruptcy. Theoretically the system seemed to ensure substantial justice, but in practice it became intolerably cumbrous and expensive, a large part of the estate being frequently absorbed in costs. A whole series of Bankruptcy Acts from 1825 to 1869 embodied various plans for amending and simplifying procedure, the common element of which was the recognition of private arrangements arrived at between the debtor and his creditors or a majority of them. Successive Acts gradually relaxed the conditions under which such arrangements could be made binding, while the stringency of bankruptcy procedure, properly so called, was concurrently increased. The inevitable result followed, and ten years after the passage of the Act of 1869 the Comptroller in Bankruptcy (an official of the Court) reported that out of 13,000 annual failures in England and Wales there were only 1,000 "to which the more important provisions of the Act for preventing abuses of insolvent debtors and professional agents applied." It became evident that the fundamental error of the whole series of laws which culminated in the Act of 1869 was the failure to distinguish between the judicial and administrative aspects of bankruptcy control, and the assumption that effective administrative supervision could be expected from judicial tribunals which were constitutionally unsuited for the purpose. From the resulting delay, expense and inefficiency, the only means of escape was to have recourse to

private arrangements, and this alternative was made so fatally easy that collusive arrangements and secret understandings became alarmingly prevalent.

Mr. Chamberlain's Act went to the root of the evil by transferring to the Board of Trade all the administrative functions formerly exercised by the Courts. A Bankruptcy Department of the Board of Trade was constituted with an Inspector-General of Bankruptcy at its head, and with a body of officers called "Official Receivers" located in the principal centres and having also the status of Officers of the County Courts to which they are attached. Originally there were sixty-seven Official Receivers, but at present the number is forty-eight (excluding those dealing solely with the winding up of Companies). Of the Official Receivers 20 are whole-time officers and 28 "part-time" professional men remunerated by fees.

The Official Receiver calls meetings of creditors, investigates the conduct and affairs of the debtor, and if the assets are small becomes Trustee and administers the case throughout. To co-ordinate the work of the Official Receivers and to maintain the level of efficiency of the service, there is an Inspector of Official Receivers who visits their offices, investigates their methods and advises them generally.

Among the more important functions of the headquarters staff are the supervision of the work of Official Receivers and the audit of their accounts, together with those of the non-official trustees, who, in cases where the assets of estates are considerable, are chosen by the creditors and certified

by the Board of Trade if considered fit and proper for the position.

If there is evidence of an offence having been committed by the debtor, the Official Receiver can, in a suitable case, with the authority of the Board of Trade, obtain an Order from the Court to prosecute. Under the Act of 1883 all such prosecutions were conducted by the Director of Public Prosecutions, but since 1913, when the Board of Trade was empowered to take proceedings, the great majority of prosecutions have been conducted through a branch of the Solicitor's Department.

Since 1887 all Deeds of Arrangement have been compulsorily registered. Originally registration took place at the Bills of Sale Office of the Supreme Court, but in 1913 the register was transferred to the Board of Trade, the Inspector-General becoming the Registrar.

The Bankruptcy Department is self-supporting, the receipts from fees and other sources more than defraying the entire cost of the administration, but a "token" vote has always been taken in the Estimates so as to enable the Department to be discussed in Parliament.

Public Utility Undertakings

An important class of duties performed by the Board of Trade in relation to industries and manufactures, is the authorisation and regulation of certain classes of public utility undertakings, which, in order to carry out their operations, need to exercise compulsory powers and therefore require

special authorisation either by Act of Parliament or some kind of Order sanctioned by Parliament.

For example, an undertaking supplying the public with electricity, gas or water could not carry out its objects effectively unless armed with the power of breaking up public roads in order to carry cables or pipes, and of carrying wires or pipes over or under ground across private property. Undertakings which require powers of this kind are therefore compelled to seek Parliamentary sanction before they can begin to operate.* In return for this sanction Parliament imposes its own conditions which usually include an obligation to supply all persons who desire it within a specified area and certain limits on price, quality and dividend designed to protect the public. These conditions are thought to be necessary, inasmuch as the requirement of Parliamentary sanction necessarily operates as a restriction on free competition, besides the economic restriction arising from the large capital expenditure involved. The precise nature of the conditions imposed varies. In the case of gas undertakings the standard clauses for the purpose are contained in the Gasworks Clauses Acts, 1847 and 1871, which are usually incorporated in the Special Act or Order from which the undertaking derives its powers. In London and in a large number of gas undertakings in the provinces, conditions have been imposed under which dividend depends on the price of gas,

* There are a number of "non-statutory" gas undertakings, mostly small, which have never obtained these powers, and can only open roads with the express or tacit consent of the local authorities.

in accordance with a sliding scale which requires dividends to be reduced on each increase of price above a fixed standard, and conversely permits an increase of dividend for each reduction of price. There are also stringent requirements for the testing of gas supplied, for which purpose the Board of Trade appoint three gas referees and a chief gas examiner, the latter of whom acts as a Court of Appeal in cases of dispute in connection with the testing of gas, which is actually carried out by examiners appointed by local authorities. The gas referees prescribe the method of testing and verification and the form of the reports to be made by the gas examiners.

Since 1920 the predominant method of charging for gas has been by "therms," i.e. on a calorific rather than (directly) on an illuminating basis. The Act of the above year authorised the Board of Trade to make orders enabling statutory gas undertakings to change over from the old to the new method of charging, and if necessary to compel them to make the change. Up to the present the new and more scientific system of charge has been voluntarily adopted by statutory undertakings supplying at least 85 per cent. of the total gas supply of the country. In no case has it been necessary for the Board of Trade to use their compulsory powers.

Before the passage of the Act of 1920 the usual methods of authorising a gas undertaking was by what is known as "Provisional Order." By this is meant an Order made by the Board of Trade after hearing objections by opponents, and (if opposed) confirmed by Act of Parliament. In the case of

unopposed Orders the procedure is considerably shorter and less expensive than procedure by private Bill, but where there is strong opposition the saving of time and cost is much less, as the confirming Bill has to go through all the stages of a private Bill. Under the Act of 1920 the procedure is considerably shortened and simplified, since the Board of Trade are now empowered to authorise new gas undertakings, or to confer new power on existing undertakings, by "Special Orders" which only need confirmation by resolution of each House of Parliament and are not therefore subject to the expense, delay and hazard attending private Bill procedure. Strictly speaking, the above procedure applies to gas companies. Local Authorities requiring sanction for loans for gasworks apply to the Ministry of Health, which holds any necessary inquiry. The case is, however, always referred to the Board of Trade, and sanction is never given except on the Board's recommendation. This system of collaboration works quite smoothly and satisfactorily.

One result of the introduction of the thermal basis of charge for gas is that it is no longer necessary to enforce any regulations as to the quality of gas supplied by undertakers, so long as they comply with stringent requirements as to the pressure of the gas. The Act also requires the Board of Trade to provide for the holding of examinations for inspectors of gas meters.

The supply of electricity for lighting and power is of course a much more recent development than that of gas supply, the first company for which

(the Gas Light and Coke Company) was incorporated by Act of Parliament in 1810. The first Electric Lighting Act was passed in 1882, when Mr. Chamberlain was President of the Board of Trade. Its provisions have been severely criticised in recent years on the ground that the conditions imposed, especially the purchase clause, were unduly restrictive and tended to cramp the growth of a nascent industry. Amending general Acts were passed in 1888 and 1909, by which some of these conditions were modified, and successive inquiries by special Committees led ultimately to the enactment in 1920 of a measure establishing a Board of Electricity Commissioners for the purpose of accelerating the development of electrical supply, in which the progress made in Great Britain had not kept pace with that of the other chief industrial countries. The Electricity Commissioners were attached not to the Board of Trade but to the new Ministry of Transport, so that for the past eight years the Board of Trade have ceased to be concerned with this important national industry. The story of post-war developments belongs therefore to the history of the Ministry of Transport.

From an administrative point of view the authorisation and regulation of water supply companies has followed so closely that of gas supply companies (though of course the technical details are quite different) that it is unnecessary to refer to the matter at length. So long as this business was performed by the Board of Trade it was handled by the same Department, and broadly speaking by the same methods as gas supply. In 1919 the Board of

Trade handed over responsibility for water supply to the Ministry of Health.

The regulation of gas and water supply was dealt with by the Railway Department until 1902, when it was transferred to the Harbour Department. Electric Lighting Orders and Licences were also attached at first to the Railway Department, but were handed over to the Harbour Department in 1896. Lest it should seem anomalous to the general reader that subject matters so different from Railways or Harbours should be handled by those Departments, it may be observed that the principal Departments of the Board of Trade, while taking their titles from their chief subject matter, have usually been concerned also with a number of minor and sometimes very miscellaneous duties, of which the connection has not always been manifest. Not infrequently in the past the allocation of functions among Departments has been largely determined by personal reasons, such as the special knowledge or experience possessed by some member of the staff, who on promotion or transfer from one Department to another has carried with him some highly technical branch of work of which he has made himself master. The past migrations of such branches as Standards, Copyright, Merchandise Marks, or Electric Lighting from one Department to another are only explicable in connection with the transference or promotion of individual officers who have specialised in these subjects. Fortunately in recent years the more complete and logical articulation of the Board of Trade, and the

consequent multiplication and better co-ordination of its constituent Departments, have caused most of these apparent anomalies to disappear.

When the Board of Trade was reorganised in 1918, following the report of Sir Clarendon Hyde's Committee,* gas and electricity supply naturally fell within the scope of the new "Power and Transport Department," and when the short life of that Department came to an end with the establishment of a separate Ministry of Transport, gas supply became part of the duties of the Department of Industries and Manufactures.

Industrial Relations

One of the most important aspects of the functions of the State with regard to British industry is that concerned with the conditions of industrial employment and the relations between employers and employed.

The Industrial Revolution led to a rapid growth of new and acute social problems. The Board of Trade had no direct concern with the first and main crop of these problems, e.g. those relating to the conditions of employment in factories and mines, the hours of work of women and children, the fate of hand-workers displaced by machinery, or the early struggles of Trade Unions for the right of combination. They took no part in the gradual evolution of the Factory and Workshop Acts, and Mines Regulations Acts, or the administrative machinery for their enforcement. Between 1843 and 1855 the Board took part in administering a

* See p. 235.

Public Coal Whippers' Office established in the Port of London under Mr. Gladstone's Act, to suppress the abuses which had arisen in connection with the engagement of this class of casual labour. With this local and temporary exception, however, it was only in the cases of merchant shipping and railways, which for other purposes were subject to their regulation, that the Board of Trade up to forty years ago took any direct part in regulating the social conditions under which industries were carried on. *Mutatis mutandis* the situation at the present day is not very different. But in the interval there was a highly significant period lasting for thirty years (1886 to 1916), during which the Board of Trade were deeply concerned with certain important aspects of labour problems, and during part of which these questions constituted the predominant part of the Board's activities, whether measured by the number of staff engaged thereon or the time of the Ministerial and permanent heads of Departments devoted thereto.

The field of industrial relations affords a good illustration of the close connection already alluded to between changes in the duties of the Board of Trade in relation to industry, and contemporary changes in the world position of British trade. From 1875 to 1885 British trade had been suffering to a greater or less extent from a prolonged depression, which, looking backward, we can now see to have been partly connected with the readjustment then in progress of the relations between the British national economy and the world economy. The long period of optimism born of unquestioned

supremacy, was succeeded in the eighties by a much more critical and questioning spirit, and a greatly quickened interest in social problems. Symptoms of this changing attitude of mind were the Royal Commission on the Depression of Trade (1885), the House of Lords Inquiry into Sweating (1886), the Royal Commission on Labour, 1889-1892, and the monumental unofficial inquiry into Life and Labour in London, carried out by Mr. Charles Booth between 1886 and 1902.

The first entry of the Board of Trade into the domain of Labour questions was by way of statistical inquiry and publicity. The establishment of a service of Labour statistics in 1886, and the formation of a special Labour Department at the beginning of 1893 are described in another chapter.* The force of events, however, soon caused the new Department to cease to be wholly or mainly an organ of statistical research, and the lines of its subsequent development corresponded closely with the growth of two menacing features in the economic situation, the dislocation and unrest caused by strikes and lockouts, and the persistence of unemployment as a normal though variable factor in industrial life.

It was the loss to industry caused by trade disputes which first caused the Board of Trade to take administrative action with regard to labour matters. Following on the unauthorised but successful intervention of the Department in the great disputes in the coal trade in 1893 and the Boot and Shoe Trade in 1895, the Conciliation Act, 1896, was passed to regularise the action of the Board and to

* See p. 218.

give it the necessary authority for the purpose of conciliatory negotiation for the settlement of trade disputes. The Act gave no compulsory powers, but under it the work of conciliation developed, first slowly and afterwards more rapidly, until in 1911 the work was separated from the other functions of the Labour Department and placed in charge of a "Chief Industrial Commissioner," aided by an "Industrial Council" representing employers and employed. As the whole of these activities were transferred to the Ministry of Labour in 1917 it is not proposed here to describe them in detail. It should, however, be emphasised that the whole of the work accomplished by the Board of Trade for the settlement of Trade disputes during a period of twenty years was entirely on a voluntary basis.

Quite different was the action taken by the Department in relation to unemployment, which was dealt with under two Acts, closely inter-related, viz. the Labour Exchanges Act, 1909, and the Unemployment Section of the National Insurance Act, 1911. Under the former Act a network of Exchanges was established for the primary purpose of assisting workpeople to find employment, and of eliminating the waste of effort involved in tramping in search of work. But another purpose of the Exchanges, which in practice soon became of predominant importance, was to serve as the indispensable basis for the working of the scheme of Unemployment Insurance, which took effect two years later. Here again we are precluded from entering into detail, inasmuch as the origin, growth and present position of Unemployment Insurance

can be best described as a whole, and will doubtless be so described in the forthcoming volume of this series dealing with the Ministry of Labour. The Departmental action necessitated by the two Acts above referred to involved so great an increase of staff, and the creation of such elaborate administrative machinery, that it was necessary to create a separate "Labour Exchange and Unemployment Insurance Department," while the Labour Department proper reverted to its original function as a Department of Labour Statistics. During the war the new organisation of Exchanges and Insurance proved an invaluable basis for the recruitment of labour for munitions work and for other purposes connected therewith.

One other important piece of social legislation and regulation, of which the Board of Trade laid the foundation about the same time, was the institution of machinery under the Trade Boards Act, 1909, for the compulsory fixing of minimum wages in certain so-called "sweated" trades. The phenomenon of the "sweating" system has been more often described in lurid colours than defined with scientific precision, but so far as any definite meaning, other than the presence of low wages, can be attached to the term, it is a collective designation of the economic and social evils resulting from the unequal competition between large scale and small scale production, within certain trades which have been partly but incompletely transformed into great machine industries. In such cases an industry may be incapable of self-protection by voluntary organisation, and the object of the Trade Boards Act

was to supply the gap by instituting a statutory form of joint trade organisation through which minimum rates of wages and other conditions of employment could be settled and compulsorily enforced, and the evils associated with "sweating" suppressed or mitigated. This branch of administration was also handed over to the Ministry of Labour in 1917.

The "Safeguarding" of Industry

One of the most difficult and complicated questions dealt with by the Industries and Manufactures Department, is the safeguarding of particular industries, either by means of tariff protection or by restriction on importation. This is entirely a post-war function of the Board of Trade and is largely attributable to war experience.

We have already seen in another chapter how with the advent of free trade, one of the principal functions performed by the old Board of Trade, viz. the supervision of the Customs Tariff from a commercial point of view, gradually disappeared. Conversely it is natural that the revived interest in tariffs as a method of safeguarding essential industries, or of counteracting unfair conditions of competition, should again have imposed onerous and delicate duties on the Board of Trade.

With the lively controversies which tariff and commercial policy still excites, we have here no concern ; we have only to describe in outline the administrative machinery which has been called into being to give effect to the policy approved by Parliament.

Broadly speaking, it may be said that the grounds

on which special treatment may at present be accorded to any class of imports are, either that the industry concerned is one which it is essential in the national interest to maintain in this country, or that there are special grounds for considering that the competition to which it is subjected is "unfair," e.g. because of advantages enjoyed by the foreign competitor, through such causes as depreciating currency or inferior conditions of employment, or because he adopts methods of underselling, known vaguely as "dumping." These two categories do not of course cover all classes of goods subject to import duties, but they cover most of those with which the Board of Trade are administratively concerned.

The need for fostering certain essential or "key" industries was forcibly shown by the experience of the Great War, at the outbreak of which many of our industries found themselves heavily handicapped by the lack of some essential part, instrument, or material, for the supply of which Great Britain had hitherto been dependent on countries with which she was at war. Perhaps the most important of these missing supplies were synthetic dyestuffs, and in view of the enormous importance of the maintenance of a supply of dyestuffs to meet the needs of the textile industries, as well as of the intermediate products for purposes of munitions, a determined effort was begun during the war and has been continued since, to free the country from its former dependence on foreign supplies of dyestuffs by the development of a great national dyestuffs industry. The methods employed at various stages of the development have

included subsidy, participation in capital, and the regulation of import by means of a licensing system. Of these methods only the last mentioned survives to the present time. The Industries and Manufactures Department has since its creation dealt with the difficult and delicate business of the relations of the State to the dyestuffs industry, including the administration of the Dyestuffs (Import Regulation) Act, 1920. The head of the Department is himself a member of the "Dyestuffs Industry Development Committee" established under the Act, a body not to be confused with the Statutory Committee established to consider applications for import licenses.

With the exception of synthetic dyestuffs, imports of products of "key" industries considered of sufficient importance to be safeguarded, have been subjected to *ad valorem* duties, usually of 33½ per cent. The principal function of the Board of Trade in respect of these duties has been to define (subject to appeal) the precise articles included under each of the broad categories named in the Act.

As regard goods subject to "unfair competition," the duties of the Board of Trade have been more arduous. Under Part II of the Safeguarding of Industries Act, 1921, applications for the imposition of duties on this ground were considered in the first place by the Department, and if in its opinion a *prima facie* case was established, the question was referred to an independent Committee created *ad hoc* by the Board of Trade. After the inquiry a duty (provided that one were recommended) could be imposed by Order of the Board

of Trade, confirmed by Parliament. Since the lapse of Part II of the Act in 1924 this procedure has been modified, and any special duties of this kind are imposed by Act of Parliament going through all the stages of a Finance Bill, and such duties make no discrimination between foreign countries. So far, however, as the administrative work performed by the Board of Trade is concerned the change has made comparatively little difference, though the grounds on which a duty may be claimed, and the conditions to be satisfied by applicants, as prescribed in a Departmental "White Paper," differ in some respects from those laid down in the sections of the Act which have lapsed. A considerable number of applications for duties have been received by the Department (either under Part II of the Safeguarding of Industries Act or the "White Paper" mentioned above). Of these, twenty-eight have been referred to Committees, and in thirteen cases duties have been imposed as the result of their recommendations. To complete the picture it should be mentioned that a provision of the Safeguarding of Industries Act, which is still in force, provides for the imposition in certain events of an "anti-dumping" duty. In fact, however, no such duty has been imposed, the only two inquiries held under this provision yielding negative results. The provision is practically a dead letter.

Other Duties with regard to Industry

Another important post-war development has been the revived interest taken by the Board of

Trade in the supply of cotton for the Lancashire Cotton Industry. As we have seen this was an old interest of the Board of Trade, and the early efforts made by them in this direction on the advice of Sir Joseph Banks towards the end of the eighteenth century have already been described. In recent years, however, the excessive dependence of British Cotton Spinners on a single source of supply, and the possibility of a decline in the export surplus of cotton from America, have caused great and increasing anxiety in Lancashire, and the British Cotton Growing Association (an entirely unofficial body) has been actively engaged since 1902 in exploring the ground and opening up new sources of supply of cotton within the Empire. But the inquiries of a Departmental Committee appointed by the Board of Trade, which sat during the war, led to the conviction that action on a larger scale and with greater resources had become essential, and as a result the Empire Cotton Growing Corporation was established immediately after the war by Royal Charter to foster the growth of Cotton within the Empire. A fortunate windfall of about a million sterling which accrued to H.M. Government as the result of some of its cotton control operations during the war, was transferred to the new corporation, and the trade subjected itself, first voluntarily, and since 1923 by compulsory Act of Parliament, to a levy of sixpence a bale of cotton in order to increase the revenues of the corporation. Though in practice the Empire Cotton Growing Corporation is virtually autonomous, a link with the Board of Trade is maintained by the presence of

the President and another representative on the Board of Trustees in order to protect the Government grant, while the head of the Department of Industries and Manufactures is a member of the Executive Committee.

Among the remaining matters which fall within the scope of the Industries and Manufactures Department are the encouragement of "standardisation," and industrial research. In regard to neither of these matters has the Department any statutory powers, and its action takes the form of co-operation with the authorities and bodies more directly concerned rather than of actual administrative action. For example, the principal organisation to encourage industrial standardisation is the British Engineering Standards Association, a voluntary body enjoying a limited subsidy from government, on whose main Committee the head of the Department sits as representative of the Board of Trade.

The responsibility for State action for the promotion and assistance of industrial research, lies not with the Board of Trade, but with the Department of Scientific and Industrial Research, which is controlled by the Lord President of the Council. That Department, however, is assisted by an Advisory Committee, on which the head of the Industries and Manufactures Department represents the Board of Trade as a Departmental Assessor.

Lastly, it is one of the duties of the Industries and Manufactures Department to maintain so far as possible within the limits of its staff a continuous survey of the whole field of industrial organisation

and efficiency, including the growth of various forms of industrial combination. Except, however, as regards public utility undertakings the Department possesses no compulsory powers or jurisdiction with regard to combinations. In the year 1924 the government of the day set up a "Committee on Industry and Trade, to inquire into the conditions and prospects of British industry and commerce with special reference to the export trade." With one exception the members appointed were unofficial, and the Committee has no direct connection with the Board of Trade, except that its Secretary is an officer of the Industries and Manufactures Department, and that several Departments of the Board have furnished the Committee with a great amount of information. The reference was accompanied by a detailed memorandum,* which may be not unprofitably compared with the "Instructions to the Council of Trade" of 1660. The field of investigation covered by the reference and memorandum is immensely wide, and in spite of strenuous activity the Committee has not yet quite completed its task. It has, however, very greatly clarified the problem by issuing five volumes, assembling and analysing the information available with regard to Overseas Markets, Industrial Relations, Factors in Industrial Efficiency and a detailed survey of certain groups of industries. A great part of the value of these descriptive Reports consists in the fact that they have all been unanimous, though the Committee represents all sections of economic

* Reproduced at the beginning of each of the volumes presented by the Committee.

opinion. The experience of the Committee will probably confirm that of the first forerunner of the Board of Trade, the Merchants Committee of 1621, that the framing of remedies is a longer and more difficult task than the statement of reasons.

Chapter VIII

THE BOARD OF TRADE AND INDUSTRIAL PROPERTY

Patents

THOUGH the supervision exercised by the Board of Trade over the Patent Office only began in 1883, the jurisdiction with regard to Patents for Inventions which is now vested in the Patent Office is of much earlier date, and may be said to have its origin in the famous "Statute of Monopolies," which was passed in 1624—the same time almost to a year which saw the first beginnings of the Board of Trade. The two events had this amount of connection, that the pressure of work on the Privy Council which led to the formation of a quasi-permanent Committee on Trade was to no small extent due to the growing difficulties and conflict between the rights and privileges with regard to manufacture and commerce claimed by the trade guilds, and the monopolies granted by the Tudor sovereigns to individuals and especially to foreigners by means of "letters patent."

Even in mediæval times the Plantagenet Sovereigns had come into conflict with popular trade sentiment through granting licenses to enable foreigners to introduce new manufacturers and skilled craftsmen into the realm. In the case of new inventions some kind of monopoly was essential in order to induce

men to come into the country and work them commercially, but in the sixteenth century the power to grant "patent rights" was widely abused by the accord of monopolies in respect of existing and well established trades. The public inconvenience of these grants and their conflict with the rights of the trade guilds became more acute after the end of the Spanish wars in 1604.

The Statute of Monopolies was directly aimed at suppressing the abuse of monopolies granted for existing trades, but it was found necessary to make an exception for the encouragement of new inventions. Accordingly the Statute definitely legalised the grant of exclusive rights for a temporary period (*viz.* fourteen years), "for any manner of new manufactures within this realm . . . which others at the time of making such letters patent and grants shall not use, so as also they be not contrary to the law, nor mischievous to the State, by raising prices of commodities at home, or hurt of trade, or generally inconvenient." This provision is the foundation of modern Patent law.

The method of granting "letters patent" for inventions and manufactures did not differ from the procedure applicable to all other kinds of patents, *e.g.* for grants of nobility. In the earlier years the Board of Trade were in no way concerned with the actual grant of patents—though they were occasionally consulted or tendered advice on the trade aspect of particular applications. A certain number of cases of inventions (*e.g.* for new methods of manufacture of dyes or chemicals) are mentioned in the Eighteenth Century minute books of the

Board of Trade as having come before them. Sometimes they recommended an award of money, or the grant of a patent. On one occasion we find the Board of Trade refusing to recommend the grant of a patent for a new method of making potash, on the ground that the discoverer raised objection to an investigation of the merits of the invention.* But these applications only came casually before the Board in their advisory capacity as a Committee on Trade. The actual procedure for the grant of patents for inventions remained unaltered, or rather it became more and more cumbrous and dilatory, as the special investigations necessary to protect the public against injurious trade monopolies were super-imposed on the antiquated machinery through which applications for all kinds of patents had to pass.

By 1852, when the first Patent Commissioners were appointed, every application "passed through nine stages in seven separate offices situated in different parts of the town at a distance from one another, and in all these stages fees were exacted. Patents had to be obtained separately in Scotland and Ireland, and fees came to about £350 before the patent was issued."†

The procedure for granting patents was a congenial subject for satire by Charles Dickens, whose *Tale of a Patent* in *Household Words* lost nothing in the telling.

The first step towards reform consisted in the centralisation of all powers to deal with applications

* Minute Book, March 24th, 1791.

† First Report of Patent Commissioners (1852).

for patents in a single office, i.e. the "Commissioners for Patents," consisting of the Lord Chancellor, the Master of the Rolls and the Law Officers. The new "Patent Office" occupied a building in Southampton Buildings formerly used by the Masters in Chancery, and the staff consisted of a Superintendent and from seven to ten clerks. The building was the germ of the existing Patent Office, but the staff has grown from ten to about 700, of whom, however, not all are employed on patent work.

The consolidation of the work in a single office, the reduction of fees, the extension of patents to Scotland and Ireland, and the performance of such judicial functions as were required by the Law Officers and their clerks, constituted a great simplification and improvement of procedure, and the number of applications for patents rose from 3,045 in 1853 to 6,241 in 1882. But the duties and responsibilities of the slender staff were as yet very restricted, consisting mainly of recording, filing, indexing and classifying, together with the printing and sale of specifications and other matter.

The next great step forward was taken by the Act of 1883, which swept away the Commissioners, and vested their judicial powers (i.e. their powers in respect of the exercise of the Royal prerogative in granting patents) in a "Comptroller General" with a staff of examiners and other officers responsible to him. The whole office was placed under the superintendence of the Board of Trade, by whom the Comptroller-General and other officers are appointed, and rules and regulations as

to procedure are made. But this power of supervision did not (and still does not) give the Board of Trade any right to influence or to revise any "judicial" decision of the Comptroller-General, and though in certain matters there is an appeal from the Comptroller-General it lies to the Courts or to the Law Officer and not to the Board of Trade.*

Apart from the constitutional change effected by the Act of 1883, it threw upon the office new and difficult duties which by necessitating a scientifically trained staff altogether altered its character. Besides the more or less routine duties indicated above, the examiners had now to report whether the specifications filed were sufficient, whether the description of the inventions given therein were clear and fair, and whether the provisional and complete specifications were in harmony. Moreover, an "Illustrated Journal" was started containing abridgments of all specifications of patents issued from time to time, together with other information. A staff of about 130 were required for these purposes, and the encouragement given to invention by the new facilities was clearly seen by the rapid increase of applications, necessitating corresponding increases of staff. By 1901 (just before the next great Patent Act was passed) the annual number of applications for patents had risen to 26,777, and the staff of the office to over 300.

The Act of 1902 is in some ways the most important of the whole series of laws by which the

* This refers to Patents. In the matter of Trade Marks there is an appeal in certain circumstances to the Board of Trade.

Patent Acts and administration have assumed their present form. Up to this date the duties of the Examining Staff were only to detect incompleteness, unfairness or want of agreement in the specifications submitted. Now for the first time they were required to report on "novelty," or, to be more precise, whether the invention claimed had been wholly or partially described or claimed in any specification filed and published during the preceding fifty years. If an "anticipation" is discovered it is for the Comptroller-General to decide whether and subject to what amendment the application may proceed. Though this statutory duty is very much narrower than a world search unlimited by time, it imposes a very difficult and responsible task on the examiners.

It is not to be wondered at that it took three years to prepare the material before the new search for novelty could begin, or that the result was to double the staff (from 300 to 600) between 1901 and 1907.

The work of searching for novelty is in the highest degree delicate and responsible. When apparent anticipations are discovered from a perusal of the "search cards," the applicant is informed and has an opportunity of discussing the question with the Examiner, or if they cannot agree, to be heard before the Comptroller-General or Assistant Comptroller. About 2,000 such "hearings" take place every year, and from the decisions there arrived at there is an appeal to the Law Officer. When eventually the inventor's specification is accepted with or without amendment, it has to be advertised

and other inventors or patentees have a chance of opposing on various grounds. For this purpose there are formal hearings before the Comptroller-General in the Patent Office Court—about eighty or ninety in the year—and again there is an appeal from the decision to the Law Officer.

To realise the magnitude of the work of search it must be remembered that the annual number of complete specifications filed is about 19,000, each of which has to be investigated.* The examining staff is divided into twenty-five groups, to each of which are allotted a certain number of classes of invention, which altogether number 146. The specifications of the past fifty years (over half a million in number) are classified under 271 headings, but naturally many of them have to be placed under several distinct classes. Hence there are altogether more than two million "search cards" containing the material on which the search is based, arranged in Cabinets with special drawers for easy access. The question of novelty or anticipation is by no means the only important matter on which the Comptroller-General, and on appeal, the Court or Law Officer, have to pronounce. It is to be remembered that the original Statute of Monopolies made an exception of monopolies which "were mischievous to the State, by raising prices of commodities at home, or hurt of trade or generally inconvenient," and modern patent law contains stringent provisions for preventing the abuse of

* In addition to some 14,000 applications accompanied by provisional specifications to ascertain whether the invention has been adequately described.

the monopoly power. The commonest form of this abuse is to fail to work the invention to an adequate extent in the country in which it is protected, thus denying to the public the advantage of the results of the invention at a reasonable price and depriving the working population of the employment which the working of the process or the manufacture of the patented article would afford. Accordingly the Patent Acts empower the Comptroller-General in such an event to compel the patentee to grant licenses on such terms as he may fix to persons willing to work the invention, and in the last resort if such methods prove inadequate the patent itself may be revoked. This is the effect of the Act of 1919 modifying the Act of 1907, which relied chiefly on the remedy of revocation. Applications for compulsory licenses are among the most difficult of all the cases which come before the Comptroller-General, who has not only to decide the question of principle but to fix equitable royalties and conditions. In normal times, however, the number of such applications is small, the chief virtue of the provision being its preventive effect. Other difficult questions are applications for restoration of patents which have been allowed unintentionally to lapse, or for the extension of the period of protection in cases in which a patentee can show that further time is required to enable him to exploit his invention.

Designs

The connection of the Board of Trade with Designs has an entirely different origin and history

from their connection with Patents. There is of course a class of "utility" designs which may approach very near to patentable inventions, and some of these no doubt obtained protection under the Statute of Monopolies. But the institution of a Designs Registry was intended to protect quite a different class of design, viz. those sometimes termed "artistic" or "ornamental," i.e. which are concerned with the appearance of an article rather than with the principles of its construction or the mode of its operation.

The registration of designs is the direct offspring of the Industrial Revolution which in the latter part of the eighteenth century transformed many handicrafts into great machine industries. One consequence of the mechanical inventions by which the cotton trade was revolutionised was that the production on a commercial scale (say) of a printed design on calico involved the expenditure of an amount of capital very greatly exceeding the actual cost of the design. Manufacturers therefore demanded temporary protection against the risk of loss of this capital through piracy of the design. To meet this demand an Act was passed in 1787 which gave a monopoly for two months in new and original patterns for printing on cottons and linens. In 1839 this protection was extended to other textile fabrics and another Act of the same year enabled ornamental designs for most other articles to be protected by registration with the Board of Trade. Three years later a Consolidating Act provided for the protection of designs for all kinds of articles, divided into a number of classes, with terms of

protection varying from nine months up to three years. By later Acts (notably those of 1843 and 1883) the restriction of registration to ornamental designs was abolished, so that at present designs of every kind, whether "useful" or "ornamental," can claim registration and protection for a period of five years, twice renewable, yielding a possible maximum period of monopoly of fifteen years.

The jurisdiction of the Board of Trade over designs dates from the Act of 1839. In 1875 this jurisdiction was transferred to the Patent Commissioners, but in 1883, when the Patent Commissioners were abolished, it was vested in the Patent Office and thus once more came under the Board of Trade. Altogether about 25,000 designs are registered every year, and there are about 500 hearings with a possible appeal to the Court.

While the system of registration of industrial designs, whether ornamental or utilitarian, was being gradually developed in the interest primarily of trade but secondarily of the designer and artist, another totally different system of protection for works of art, conceived in the interest of the creative artist was concurrently evolved, viz. the system of artistic copyright applicable to certain classes of works of art, first engravings (1734), then sculpture (1814), next paintings and drawings (1862), and ultimately (since the Copyright Act of 1911) works of architecture and "artistic craftsmanship." Copyright is an inherent right without registration, and it extends for fifty years after the death of the artist. Without some qualifying words the un-

conditional grant of long term copyright without formalities and without search to all works of "artistic craftsmanship" would have cut right across the system of registration of industrial art designs, and, in the opinion of many manufacturers, would have imported an element of uncertainty which would have been highly prejudicial to trade. To meet this difficulty Section 22 of the Copyright Act of 1911 excluded from copyright, designs capable of registration and destined to be multiplied by an industrial process.

One feature of the Designs Registry which is of some interest is the search for novelty which has been carried out since the year 1883. The scope of this search is not defined by the Act, but it is mainly (though not strictly) limited to previously registered designs. The search, however, presents certain difficulties of principle. Healthy artistic design, even if original, is generally rooted in some pre-existing tradition, and it probably passes the wit of man—or at least is beyond the power of a government office—to determine with certainty by means of a search for novelty whether in fact a design is original or "pirated." In the case of certain classes of designs no search is made on application for registration, but in other cases some of the trades concerned undoubtedly attach importance to the present search, in spite of the doubt how far it can be really effective. It should be mentioned that for the convenience of the cotton trade, a branch registry of designs for printed or woven textiles has, since the Act of 1907, been established in Manchester.

Trade Marks

A Trade Mark is a mark or device which enables an article to be identified as being produced by a particular manufacturer or dealt in by a particular trader. Any fraudulent imitation of such a mark by which another manufacturer or trader seeks to pass off his own goods as those of his competitor has long been illegal under the Common Law, but the remedy was cumbrous, expensive and uncertain, and since 1875 a much surer safeguard has been afforded to honest trade by enabling trade marks which comply with certain conditions to be registered and to enjoy legal protection against infringement.

So far back as 1590 Sheffield began to register marks for cutlery, so as to facilitate legal proceedings, and this registry office continues in existence. Since 1875, however, there has been an official Registry of Trade Marks, first under the Commissioners of Patents, and since 1883 under the Patent Office. A special branch of the office with a staff of about seventy is engaged on this work, including the staff of the local office at Manchester which is referred to below. It is important to remember that in Great Britain the claim of a mark to legal protection does not arise from registration, which only facilitates proceedings. There is a large class of trade marks incapable, for some technical reason, of full registration, which nevertheless can be protected under the Common Law. This is a very important difference between British law and that of some foreign countries, in which without registration all

legal remedy against infringement is denied. Before admitting an application the Registrar must be satisfied that a trade mark complies with a number of statutory conditions devised to protect the public against the grant of improper monopolies. He also has to be satisfied that the mark does not conflict with another mark already on the register, and as in the case of patents and designs there is an elaborate office search for anticipation. For this purpose trades are divided into fifty classes, among which the half-million trade marks on the register are distributed under various subdivisions (e.g. devices representing birds, beasts, flowers, etc.). If a mark which it is sought to register appears to conflict with one which is already registered in respect of the same description of goods, there is a hearing before the Registrar or his Assistant with an appeal to the Court and eventually to the House of Lords. There are between 4,000 and 5,000 trade mark hearings in the office every year. Even after a mark is accepted for registration by the office it still has to run the gauntlet of advertisement and possible opposition from interested parties, with the chance of a formal hearing before the Registrar, subject again to appeal to the Court.

The duties of the Registrar do not end with the registration of the mark. He is empowered in certain circumstances to cancel the registration of a mark, on the application of some aggrieved person who can show good legal objection to its remaining on the register. Moreover, he has to watch to see that a registered mark is not improperly used, e.g. by being sold without the business to which it is

attached. Frequently the value of the "goodwill" attaching to a trade mark is very great, and the commercial interests concerned in the question of the acceptance or refusal of a mark are often very important. Hence the necessity for all the guarantees outlined above, and above all for the exercise of high qualities of judgment and discernment on the part of the office staff.

It has been already noted that there are many trade marks which can claim protection under the Common Law, although they are incapable of registration in the full sense of the term. An interesting example is afforded by the large number of cotton marks, many of great trade value, of which a list is kept under the control of the Keeper of Cotton Marks in the branch Trade Marks Office which was established in Manchester in 1875. Under the Trade Marks Act of 1905 the keeper is expressly authorised to consult the Trade and Merchandise Marks Committee of the Manchester Chamber of Commerce on questions of novelty or difficulty arising on applications to register cotton marks. Owing to difficulties of obtaining protection for unregistered marks in certain foreign countries a subsidiary register (called the "B" register) was established in 1919. This register comprises marks, otherwise incapable of registration, which by reason of their use have in fact become distinctive of the goods to which they are applied.

The Industrial Property Department

The above description is confined to the duties performed by the Comptroller-General of Patents

and his staff as successors to the Commissioners of Patents, and subject to the general supervision, though not the strict departmental control, of the Board of Trade.

In addition, however, the Patent Office serves as the departmental organ of the Board of Trade for the performance of a number of advisory and administrative duties relating generally to industrial property and copyright.

In these matters the Comptroller-General has no independent position, but is strictly an official of the Board of Trade. In order to regularise the position and to draw a firm distinction between the Patent Office in its quasi-judicial aspect, and the same office as a Department of the Board of Trade, it was constituted in 1919 as the "Industrial Property Department" of the Board when acting in the second capacity.

The duties of the Industrial Property Department are to look after all questions of "industrial property" other than those which form the subject of Patent Designs and Trade Mark law, including such matters as marks of origin, merchandise marks, and certain forms of "unfair competition" arising from false or misleading marking or the creation of confusion between the goods of a trader and his competitor. These questions have an important international aspect, and the Industrial Property Department acts as the organ of the Board of Trade for dealing with questions arising under the Industrial Property Convention, and preparing the ground for the international conferences by which that convention is periodically revised. The De-

partment also deals with any questions arising on the Copyright Act or the International Copyright Convention, but as copyright is inherent and independent of formalities, and as all disputes as to copyright are settled not by administrative machinery but by the Courts, the current work thrown on the Department in normal times in respect of copyright is comparatively small.

Miscellaneous Functions

The Patent Office has a printing and publication branch which publishes an Illustrated Journal of Patents and a Trade Marks Journal weekly. A large number of volumes of reports of decided cases and illustrated abridgments of specifications are also issued, besides a subject-matter index of patent specifications covering fifty years. The sales receipts amount to about £26,000 a year. There is also a fine Patent Office Library containing over 200,000 volumes of a scientific and technical character. The Library is open to the public and the number of readers averages about 400 a day.

Lastly, it may be mentioned that the whole of the work of the Patent Office is carried out without cost to the taxpayer, the office being more than self-supporting by the fees charged for the grant or renewal of protection.

Chapter IX

THE BOARD OF TRADE AND STATISTICS

THE preceding chapters have traced in turn the relations of the Board of Trade to various branches of the national economic activities. In describing the statistical functions of the Board we are entering a somewhat different region of ideas. Statistical investigation and presentation do not constitute an independent branch of economic activity, but are rather a means of scientific observation and control applicable to all such branches. There is hardly a department of administration which does not involve some kind of numerical measurement, and statistical computation of a more or less rudimentary character is therefore a necessary adjunct to executive action. But beyond this "administrative" statistical work, which is more or less analogous to the account-keeping of private business, a Department of State which, like the Board of Trade, exercises a general mandate to watch over the interests of trade and industry, must be furnished with the means of following and measuring changes and tendencies over the whole field of the national economic life.

This is a matter of great difficulty and delicacy and demands a high degree of scientific training, not only for the purpose of rightly collecting, digesting

and presenting the statistics, but still more for the interpretation of the results. This task is far beyond the powers of the mere compiler of "administrative" statistics, and requires a well-trained and experienced staff, centralised in a special Department, and skilled in the technique of statistical method, besides possessing some degree of economic knowledge.

It is significant that in the days when the main functions of the Board of Trade were still consultative the statistical work was the very first to be organised as a separate office. From very early times the collection of trade statistics had been one of the functions of the Board of Trade, but until 1832 it was not equipped with the means of digesting and presenting the figures thus obtained, and in fact, with certain exceptions, the work of collection was but perfunctorily performed. The masses of figures which fill an important space in the records of the Board of Trade in the eighteenth century were mostly obtained from the Customs, and did not reach a wider public than the few readers of the minute books and other manuscript volumes into which they were elaborately transcribed. From time to time when a special subject was referred to the Board of Trade for investigation (e.g. trade with Ireland or with France in connection with Pitt's Commercial Schemes or the treatment of American shipping under the Navigation Laws), the Board became active in the collection of statistics *ad hoc*, and the enactment of the Corn Returns Acts of 1789 and later years involved them in systematic statistical duties in connection with the ascertain-

ment of corn prices and stocks, which continued long after the repeal of the Corn Laws, to which they owed their origin. From time to time, moreover, Parliament would call for statistical returns on various subjects. But there was nothing approaching a regular or comprehensive statistical survey of the commercial or industrial situation, until Lord Auckland, President of the Board of Trade in 1832, called in an outside expert to digest and make intelligible the mass of figures in Parliamentary reports and papers. This was Mr. G. R. Porter,* afterwards famous as the author of the *Progress of the Nation*, and so well did he carry out his temporary task that he was permanently engaged to organise a bureau of statistics which should compile data not only for the guidance of Government but to be published for the enlightenment of the public. The new Statistical Department under Mr. Porter was housed in a separate building from the Board of Trade, and under his direction it soon acquired a high reputation.

Porter instituted a kind of statistical year book under the title of *Tables of the Revenue, Population, Commerce, etc., of the United Kingdom and its Dependencies*. This volume, which was issued annually from 1832 to 1854, was the parent of many of the later statistical publications of the Board of

* Porter owed his selection to an article on Life Assurance in Knight's *Companion to the Almanac*. Lord Auckland first invited Knight, and on his declining and by his advice, appointed Porter. In 1844 Porter became a member of Lord Dalhousie's Railway Board and in 1847 he was made Joint Secretary of the Board of Trade.

Trade, including the various Statistical Abstracts and the (now discontinued) Colonial Volume.

The "Accounts of Trade and Navigation" (often popularly described as the "Board of Trade Returns") originated at a slightly earlier date, having first been presented to Parliament in or about the year 1830 under the name of Mr. Courtenay, the Vice-President of the Board of Trade. They were hence known originally as the "Courtenay Tables." Porter incorporated these tables in his statistical volume mentioned above.

In 1854, under the direction of the reforming President, Edward Cardwell, the whole of the statistical publications of the Board of Trade were re-cast, and the big annual volume was subdivided into a number of more specialised returns and Abstracts. From that year dates the first publication of the *Statistical Abstract of the United Kingdom*, which was followed in 1855 by the *Annual Statement of Trade*, and in 1856 by the first of the triennial volumes of Colonial Statistics. The same year saw the first of the occasional series of volumes entitled "Miscellaneous Statistics of the United Kingdom," which continued to appear until 1879.

Most of these volumes were both compiled and issued by the Statistical Department, though much of the material was supplied by other Departments.

The range of the statistical information included was by no means limited to the subject matters with which the Board of Trade dealt as an administrative Department, but extended to the whole field of economic statistics.

The relative responsibilities of the Board of Trade

and the Customs for the statistics of Trade and Navigation gave rise at one time to a difference of opinion between the two Departments. Originally both classes of statistics were compiled by the Customs staff, partly at the outports, partly at the central office, while the Board of Trade exercised supervision over the statistical form and contents of the returns and presented them to Parliament. In 1854, when the statistical work of the Board of Trade was overhauled, the task of compiling the Navigation Returns was transferred after a Treasury inquiry to the Statistical Department of the Board of Trade, while the former practice was continued as regards the Returns of Foreign Trade. The arrangement so far as concerns the Trade Returns was not completely satisfactory, and at one time (about the year 1876) a project was discussed, though not adopted, for transferring the whole responsibility for supervision from the Board of Trade to the Treasury. Eventually the whole difficulty was solved by the very simple and sensible expedient of creating a Joint Committee consisting of the chief Statistical Officers of the Board of Trade and the Customs to deal with all questions of principle affecting the Trade Statistics and to revise annually their form and contents in accordance with the changing requirements of trade. The Joint Committee is advisory only but in practice its conclusions are almost always adopted by the two Departments.

The first of the series of *Statistical Abstracts of the United Kingdom* was a comparatively slender volume of twenty-seven folio pages, but it brought together within this narrow compass a vast range

of "common" statistics relating to population, trade, shipping, etc. The *Statistical Abstract of the United Kingdom* has been issued yearly ever since, except for a few years' suspension during the Great War. It has gradually grown in bulk and utility, and quite recently (1927) it has been reconstructed under the joint editorial direction of the Board of Trade, Ministry of Labour and Ministry of Health.

Next in order (1864) came the *Statistical Abstract for the Colonies and Possessions of the United Kingdom*—a title now changed, in accordance with the changed conception of the mutual relations of different parts of the British Empire, to the *Statistical Abstract for the several Oversea Dominions and Protectorates*. The fact that it fell to the Board of Trade to compile and issue this Abstract as well as the more elaborate volume of Colonial Statistics may be regarded as a relic of the times when the Board, as the authority for Foreign Plantations, was intimately concerned with the economic conditions and policy of overseas parts of the Empire.

The third Statistical Abstract, which dealt with the Statistics of Foreign Countries, first appeared in 1874, and was continued until the outbreak of the Great War, the last year included being 1912. During the War this Abstract was suspended, and it has not been revived, the greater part of its contents being regarded as superseded by the monthly and annual publications of the League of Nations.

Lastly, in 1905, in direct connection with the

compilation of the so-called "Second Fiscal Blue Book," referred to below, a *Statistical Abstract of the British Empire* was issued, dealing especially with Inter-Imperial trade and shipping, etc. This Abstract ceased to be published during the War and has not been revived. The views of successive Imperial Conferences have recently tended towards a reconstruction of the Dominions Abstract as a British Empire Year-book, but the want of comparability of many of the data has made progress slow.

Lastly, mention should be made of the *Abstract of Labour Statistics of the United Kingdom*, first issued in 1894, and the companion *Abstract of Foreign Labour Statistics*, first published in 1899. Although both these Abstracts were compiled and edited by the Labour Department, to be described later, and not by the Statistical Department proper, they formed part of the series of Statistical Abstracts issued by the Board of Trade. When the labour work of the Board of Trade was handed over to the Ministry of Labour in 1917, both the Labour Abstracts had already been suspended owing to the War.

Mention has already been made of the most ancient of the statistical duties definitely imposed on the Board of Trade in connection with Corn Returns. At the outset the executive duties were imposed on other authorities, the functions of the Board of Trade being, as usual, at that time merely supervisory and consultative. The first reference I have found to the matter is in the Board of Trade minute book for 1789. From that date onwards

inquiries and reports on corn returns and prices bulk very largely in the minute books, and during the critical years of the French war, when the price of bread soared to unheard of heights, the war duties of the Board of Trade in respect of corn supplies were onerous and exacting. Eventually an Act of 1828 gave the Board of Trade direct control over the Comptroller of Corn Returns, who supervised the collection of prices on which the sliding scale which determined the corn duty depended. After the Comptroller's Office was abolished the Statistical Department of the Board of Trade continued to collect statutory returns of the sale and prices of corn in a large number of markets, and this function was only transferred to the new Board of Agriculture in 1892. Under the Tithe Commutation Act of 1836 the *Gazette* prices of British corn were made the basis of commutation, so that the corn returns continued to have more than a statistical value after the abolition of the Corn Laws. The sole surviving relic of the historic connection of the Board of Trade with the Corn Returns is the publication of the average prices of British corn in the *Board of Trade Journal*.

In 1872, when the functions of the Board of Trade with regard to Commercial Treaties were handed over to the Foreign Office, the remains of the old Commercial Department were united to the Statistical Department—a connection which continued until April, 1918.

The next landmark in the history of the Statistical work of the Board of Trade was the appointment of Mr. Giffen (afterwards Sir Robert Giffen) as head

of the Department in 1876. Giffen was a worthy successor to Porter, and did much to enhance the reputation of the Statistical Department, and to extend the range of its activities.

A question which has always given rise to difference of opinion is the extent to which Statistics should be centralised in a single Department, or dealt with in each administrative Department in close connection with the subject matter. Giffen was a strong advocate for centralisation, not only within the Board of Trade, but also (at least in principle) within the Government service generally. He sympathised with the idea of constituting a Central Statistical Department to serve the requirements of all the Departments of State. Failing this he advocated that the statistics of trade, shipping, railways, etc., should be handled in a single Statistical Department in the Board of Trade. There is no doubt of the economy and efficiency that results from the centralisation of statistics, since only in this way is it possible to keep a trained and expert staff regularly employed under competent statistical supervision. The old-fashioned statistical returns compiled by the various administrative Departments themselves were full of defects and divergencies both as regards contents, classification and presentation. On the other hand, certain branches of statistics required, not for the information of the public but to enable an administrative Department to carry on its own work, may be better and more readily compiled by the staff who have a first-hand acquaintance with the subject matter, than by an outside statistical

bureau, however competent from a scientific point of view.

The general trend in recent years has been towards centralising all general statistical work* in a single Department of the Board of Trade, and entrusting to the head of that Department the supervision from a scientific point of view of the form and methods of collection, digestion and presentation of such classes of administrative statistics as, for reasons of convenience, are still compiled within other branches of the Board of Trade. It may be added that since the war an advisory Co-ordinating Committee has been established, consisting of the heads of the Statistical Departments of the various offices, with a Treasury chairman, to promote greater uniformity and to prevent overlapping as between different Departments. It is unfortunate that the period during which this Committee has operated has been one in which the rigid necessity of economy has overridden the real requirements of trade and industry in the matter of statistics.

Returning to the historical order of development, we must note that the marked growth of interest in social questions and conditions of labour which characterised the last twenty years of the nineteenth century led to an important addition to the statistical duties of the Board of Trade.

On March 2nd, 1886, on the motion of Charles Bradlaugh, the House of Commons adopted a resolution to the effect that full and accurate labour statistics should forthwith be collected and published.

* Excluding the Mines Department.

As a result Mr. John Burnett, formerly General Secretary of the Amalgamated Society of Engineers, was appointed "Labour Correspondent" of the Board of Trade, and under his auspices was begun the collection of statistics with regard to strikes and lock-outs, trade unions, the state of the labour market, etc., while the Statistical Department carried out the first attempt at a census of wages.

At the beginning of 1893 the work of collecting statistical and other information with regard to labour conditions was further developed and extended, a separate branch (known as the Labour Department) being created for this purpose within the Commercial and Statistical Department, which thereafter was known as the Commercial, Labour and Statistical Department. The first head of the Labour Department had the title of "Commissioner for Labour." Three additional Labour Correspondents (one a lady) were appointed, and a monthly organ (the *Labour Gazette*—now the *Ministry of Labour Gazette*) was started to give up-to-date information as to employment, disputes, wages, etc., in the United Kingdom and other countries. A system of local correspondents paid by fees was instituted, to supply data as to employment and labour conditions in their districts. Beside the *Abstracts of Labour Statistics* already referred to, important reports were issued on changes in wages and hours of labour, strikes and lock-outs, trade unions, unemployment, wholesale and retail prices, and other subjects.

Thus from 1893 onwards the compilation of

Labour Statistics was separated from that of Statistics generally, as requiring a very different technique. The later development of the Labour Department as an administrative organ is described in another chapter (see p. 182).

In the early years of the twentieth century the centre of public interest in economic questions shifted for a time from the more purely social problems to that of "tariff reform," and for the purpose of enlightening the public on the essential data for the study of this question the Board of Trade in 1903 and 1904 published two great volumes of "Memoranda, Statistical Tables and Charts prepared in the Board of Trade with reference to various matters bearing on British and foreign Trade and Industrial conditions," better known as the first and second *Fiscal Blue Books*. In 1911 a third volume was issued bringing up to date the principal statistical data contained in the two former Blue Books.

During the same period an elaborate inquiry, largely but not entirely statistical in character, was carried out by the Board of Trade into the position of certain foreign countries (France, Germany and the United States) in respect of wages, hours of labour, cost of living, housing and labour conditions generally in comparison with the United Kingdom. The material contained in this series of reports was of great interest, and the investigation did good service by bringing to light the extreme difficulties inherent in any attempt to measure statistically the relative well-being of different countries with widely different habits, tastes and ways of life.

In 1903, the year in which the first *Fiscal Blue Book* was issued, the Labour Department published a Report on Wholesale and Retail prices, with long-period statistical tables, and a new Index Number of Wholesale prices going back to 1871. This publication marks an epoch in the development of industrial statistics. It was the starting-point not only of the Board of Trade Index of wholesale prices, but also of the indices of retail prices and cost of living. The former index (reconstructed and expanded in 1920) affords on the whole the best available means of measuring movements of the general price level or (what comes to the same thing) of the commodity value of money. The Index of cost of living played a very important part in the adjustment of wages bonus during the war, and in the settlement of wages controversies during the post-war period. Though necessarily imperfect, it affords the only available statistical means of converting "nominal" into "real" wages for purposes of comparison. The Report on prices has not been maintained as an annual volume, but statistics of wholesale prices in this and other countries, together with the Board of Trade Index Number, are regularly published at monthly intervals in the *Board of Trade Journal*. The compilation of the Index of cost of living was transferred to the Ministry of Labour in 1917.

The inquiry of 1906 by the Labour Department into "Earnings and Hours of Labour," though on a voluntary and therefore partial basis, long continued to afford the most authoritative data on industrial remuneration.

In 1906 the statistical duties of the Board of Trade were very greatly increased by the passage of the Census of Production Act, which imposed on them the duty of taking at suitable intervals a Census of the Industrial Production of the United Kingdom. All officers taking part in the Census and having access to the individual schedules were required by the Act to take an oath of secrecy. For this purpose a special Census of Production Office, under a Director, was established as a dependency of the Commercial, Labour and Statistical Department. The first Census was taken in 1908 with regard to the production of 1907. The next was taken five years later in 1913, with regard to the production of 1912. However, the war broke out before the supplementary inquiries arising out of the schedules had been completed, and hence no comprehensive results of this Census have been issued. When in 1918 the Statistical Department was re-created as a separate entity, the Census of Production Office was attached to that Department. Since the war a Census of Production has been taken in 1925 with regard to production in 1924, and the preliminary results have recently been published.

Quite recently a very important decision has been taken to supplement and connect the results of these periodic inquiries, by constructing on the basis of voluntary returns a monthly or quarterly index of industrial production. Thus periodically there will be a full ascertainment of the volume and value of production, with a continuous chain of intermediate indices showing the trend of production

in the intervals. It is interesting to note that the International Economic Conference held at Geneva in May, 1927, passed a resolution endorsing a scheme on these lines, and recommending it for general adoption by the various States, so far as they possess the necessary basic data for the construction of trustworthy indices.

The approximate number of the staff engaged on the Census of Production during the busiest period is about 200. The work of tabulation is largely carried on by means of calculating machines.

The present functions of the Statistical Department with regard to statistics of trade and shipping may be thus briefly described. The annual and monthly returns of Foreign Trade, though traditionally known as the Board of Trade Returns, are, as already stated, compiled by the Customs, but the Statistical Department of the Board of Trade exercises supervision over the compilation through the annual revision of the "Import and Export List," which is carried out by a joint Committee representing the Board of Trade and the Customs. The Statistical Department also prepares for the *Board of Trade Journal* monthly reviews of import and export trade, and publishes figures measuring and changes both in value and volume, together with certain data as to prices and production. It is also responsible for quarterly returns showing the distribution of trade, and the trade of certain overseas countries. As regards shipping returns, the Statistical Department has since 1854 been responsible for compiling the Annual Statement of Shipping and Navigation, which is based on statements

collected by Customs Officers at the various ports, and sent from the ports to the Board of Trade, and on returns from the Registrar General of Shipping. Statistics of shipping casualties and deaths of seamen are collected by the Mercantile Marine Department, and digested into annual reports by the Statistical Department. The Statistical Department is also responsible for statistics of migration which were transferred to the Board of Trade from the former Emigration Commissioners in 1872. The data are mainly derived from the passenger lists prepared in Shipping Companies' offices, in a form settled by the Board of Trade. Since the war the annual and monthly "White Papers" on migration have been suppressed, but quarterly summaries and an annual review of the figures are published in the *Board of Trade Journal*.

Apart from the preparation and publication of periodic or occasional Statistical Returns, the Department performs a very valuable function in supplying the government of the day and the various Departments of State with many statistical data essential for the performance of their administrative duties.

Chapter X

THE BOARD OF TRADE AS AN ORGANISATION

A GREAT Board of Trade official, who combined a sense of humour with a strong repugnance to State bureaucracy, once drew for me a lurid picture of an imaginary Government Department of the future whose total output would be exactly zero—the whole of its energies being absorbed by internal activities such as registration, copying and record of papers, staff discipline, establishment and finance, legal advice, domestic needs and adjustments, inter-departmental rivalries and friction. No one—certainly not its inventor—ever expected this horrid nightmare to come true, and the Board of Trade is perhaps the last Department whose withers need be wrung by any such prospect. Nevertheless the fancy served to emphasise in a forcible way a point of weakness which affects all public Departments more or less in comparison with private enterprises. In the case of the latter any extravagant growth of internal services would immediately manifest itself in a rapid rise of costs. In a public Department there is no such automatic danger signal, and perpetual vigilance is necessary to keep down the cost of these services to the minimum necessary for the smooth working of the entire machine.

One very important means of ensuring economy in the internal services of a great Department like

the Board of Trade is to centralise so far as possible such necessary branches of work as are common to the whole Board, in special Departments which are in a position to enforce some degree of uniformity of practice and to realise the savings resulting from consolidation and large scale operations.

In the preceding chapters we have been mainly concerned with the various activities of the Board of Trade, with which the general public come directly into contact. In order to complete the picture of the Board of Trade as an organisation, a brief reference must be made to the internal Departments and Branches, whose work, though essential to the healthy functioning of the other Departments, is comparatively little known to the outside world. As a matter of fact, no hard and fast lines can be drawn between the Departments which deal with internal and external matters, since more than one Department combine both classes of duties. For example, the Finance Department, though mainly concerned with the internal financial needs of the Board, is also, and has always been, charged with important administrative duties, e.g. those in respect of seamen's wages and effects, lighthouse finance, etc. Or again, the Solicitor's Department is partly occupied with giving legal advice to the various administrative Departments, partly with the actual conduct of legal proceedings for the violation of Acts administered by the Board of Trade, or with work connected with Shipping and other official inquiries. The principal Branch whose duties are wholly internal is the Establishment Department, which deals with all staff questions,

the registration and record of documents, copying and shorthand, messengers, cleaners, accommodation, furnishings and supplies generally. This Department is the official link between the Board of Trade and other public Departments (Treasury, Office of Works, Stationery Office, Post Office, etc.) on which they depend for finance and supplies.

Another internal branch constituted since the war is that known as the "Intelligence and Parliamentary Branch," which co-ordinates the work of watching bills and parliamentary proceedings, and preparing answers to parliamentary questions, briefs for Ministers and parliamentary returns, and which also deals with publicity and similar matters, supervises the Board of Trade Library, and has the custody of the Board's seals. This branch, which also supplies the secretariat for the Board of Trade Council, and the Advisory Council referred to below, comes into contact with almost all the Board's activities. If nevertheless it is classed as "internal," it is because it deals in no way with policy or with the merits of the many questions which pass through its hands. It is solely concerned with promoting the smooth and harmonious working of the various parts of the complex administrative machine. The branch has been conspicuously successful in accomplishing its task and it has undoubtedly come to stay, since it makes an important though partial contribution to the solution of a problem which has caused increasing anxiety to successive Presidents and Secretaries, viz. how to ensure effective unity and co-operation among the various sections of a great and growing organisation which have been

continually becoming more specialised and distinct.

The difficulty is an old one, dating back to the decay and virtual dissolution of the old consultative Board of Trade. During the three centuries of its chequered existence, the Board of Trade has gradually evolved from a sequence of more or less temporary Committees of inquiry, first into a Standing Council with a comprehensive reference, but without executive powers, and secondly, by many gradual stages, into a complex organic structure, whose members have become highly technical Departments charged with executive duties which have overshadowed the original consultative functions of the Board of Trade as a whole. This subdivision and specialisation of function, while immensely increasing the power and competence of each Department to discharge the duties imposed on it by Parliament, brought with it a certain danger to the unity of the whole organisation, which the nominal Board, already in the last stages of atrophy and decay, was in no position to control. This danger was easier to recognise than to avoid. There was in reality a twofold peril, first that the Board of Trade would become a mere collection of specialised and watertight compartments, with no common policy or principles of procedure; secondly, that these more or less autonomous branches would develop the characteristic faults of uncontrolled bureaucracy, and become increasingly out of touch with the outside world of realities. There was of course always the unifying authority of the President, but he was a bird of passage, and the permanent

joint Secretaries tended themselves to become specialised and absorbed in the technicalities of particular Departments.

The first corrective applied to these tendencies was the series of detailed inquiries into Board of Trade organisation by Treasury or Departmental Committees, beginning with Sir Stafford Northcote's Committee of 1853, followed by Committees in 1863, 1866, 1875 and later dates, ending with the Committee of 1917 presided over by Sir Clarendon Hyde. The value of this periodical overhaul by an independent Committee is considerable, since it forces each Department to take careful stock of its own procedure and organisation, and to regard itself not as an isolated body, but as a member of a greater commonwealth. Partly as the result of these inquiries, partly on the initiative of the Board of Trade itself, there has been a gradual process of unifying the common internal services, and of encouraging interchange of staff. But while these processes did much to counteract centrifugal and "particularist" tendencies within the organisation, they did nothing to strengthen its contact with outside expert opinion. This object was partly effected by another series of inquiries by Committees, which more than replaced the former functions of the Board of Trade as an organ of *ad hoc* investigation. Every branch of economic activity—railways, shipping, pilotage, companies, bankruptcy, commercial relations, commercial intelligence and a host of others—was subjected to searching and repeated examination by Parliamentary or Departmental Committees, whose

members included not only legislators and Departmental officials, but also representatives of the interests concerned. The more important of these Committees of Inquiry have already been mentioned in the chapters dealing with particular Departments of the Board of Trade. Apart from the accomplishment of their immediate objects they have served a very valuable purpose in interpreting to Departmental officials the views and wishes of the representatives of commerce and industry, and also in familiarising those representatives with the work of the Departments, and the actual administrative problems and difficulties which they have to face.

But a series of temporary Committees meeting at irregular intervals was not of itself adequate as a means of permanently maintaining intimate and fruitful relations between the Departments and the commercial and industrial world. A further step was the establishment of Standing Advisory Committees attached to particular Departments for more or less clearly defined purposes. Such, for example, were the Commercial Intelligence Committee established in 1898, and the Merchant Shipping Advisory Committee set up in 1906, both of which have performed excellent service. The former of these Committees has since been developed into the present Board of Trade Advisory Council, which since the war has regularly met once a month to keep the Board of Trade in touch with current changes and tendencies in industry, commerce, shipping, finance and employment. This Advisory Council has achieved very marked success by the simplest possible means. It consists of some of

the very highest practical authorities on each branch of economic activity, nominated by the President, but in practice always including the chairmen for the time being of the great representative organisations of trade, industry and finance. An Imperial element is supplied by the representation of India and the Dominions, and various Government Departments beside the Board of Trade send representatives. The meetings are mainly occupied with a series of brief verbal surveys of the situation as viewed from various angles, supplemented by written communications from those absent, and the latest statistical data furnished by the Department. Only those who have habitually attended the meetings can realise the immense value of this monthly survey and exchange of views on the current position and tendencies of trade. Full minutes of the proceedings are taken for the information of the Home and Dominion governments as well as for the use of the Council itself.

Lastly a very interesting experiment was initiated during the war, and more fully developed immediately afterwards, to establish regular means of contact among the heads of the principal Departments of the Board of Trade, and also between the President and Secretaries and these heads of Departments collectively, by organising meetings at regular intervals to discuss and settle current questions of administrative action involving policy. In the rudimentary form which these meetings took during the war they were known as "morning meetings." In 1919 they were definitely organised in the form of a Board of Trade Council, which at first met as

often as twice or three times a week. But this frequency of meeting put an impossible strain both on the Parliamentary heads and the busy permanent officials, and the meetings slowed down gradually to once a week, which is still the ideal, though not always attained. The custom is to summon to all meetings the President, Parliamentary and Permanent Secretaries, the "Chief Economic Adviser" and the heads of the more important Departments. Other officials are summoned as required in connection with particular items of business interesting their respective Departments. Papers are circulated beforehand, and careful minutes of decisions are recorded, the head of the Intelligence and Parliamentary Branch acting as Secretary.

The idea of a Council of Departmental chiefs, both as a unifying and co-ordinating agency, and as an instrument for solving questions of policy, has very much to recommend it, but practical experience shows that its great possibilities of usefulness can only be fully realised if certain essential requisites are fulfilled. The Council must hold frequent and regular meetings under the chairmanship of the President. Otherwise the Council is likely to degenerate, and eventually to cease to be a serious factor in the Board of Trade organisation. For it is evident that urgent and important questions cannot be held up to await consideration by the Council at some distant or uncertain date. Nor is there much reality in Council discussions in the President's absence, since under parliamentary conditions the President cannot avoid ultimate responsibility for every act

of policy. It follows that unless the essential conditions of success be fulfilled, the Council could only occupy itself with such secondary and non-urgent matters as the President is prepared to delegate to it, and in such circumstances it could only very partially attain the objects for which it was instituted.

While the meetings of the Council have often been of great interest and utility, it has been found no easy task to reconcile the essential requirements mentioned above with the conditions of stress and hustle under which the Parliamentary and Permanent heads of a great modern Department of State are compelled to carry on their work. It cannot be said that this problem has as yet been completely solved. Whether it is capable of a lasting solution only time can show, but it is worth a great effort to ensure and maintain the stability and responsibility of the Council, if only as a counterpoise against the particularist tendencies to which all deeply subdivided Departments are liable.

In order to obtain some idea of the nature and magnitude of the changes caused by or immediately following the Great War in the volume and character of the work of the Board of Trade, it is necessary to give a few figures. At the time of the outbreak of the Great War in 1914 the Board of Trade had a total staff of about 7,500 officers of all grades. Of these no fewer than 4,800, or nearly two-thirds of the whole, were engaged in various branches of labour administration which during the war were transferred to the new Ministry of Labour.

The war made an almost complete break in the

ordinary administrative work of the Board of Trade. Certain skeleton services were necessarily maintained, but the great majority of the staff who did not actually join the forces were diverted to war duties. For example, the Labour Exchanges and Unemployment Insurance Department became a great recruiting agency for munition workers, the Marine Department was occupied with War Risks Insurance and the maintenance of overseas communications, the Railway Department with the control of the railways and coal mines, the Commercial Department with trading with the enemy and blockade questions, and the Commercial Intelligence Department with the replacement of essential imports cut off by the war, the Companies and Bankruptcy Departments with the administration of the Emergency laws relating to enemy property, enterprises and indebtedness, the Statistical Department with food supplies and so forth. To present a picture of all these different activities, and of their rapid developments and changes during those critical years, would require a volume in itself, and cannot be attempted here even in the most summary form.

At various stages of the war new emergency Ministries were constituted, which took over some of the branches of work at first administered by the Board of Trade, e.g. the Ministry of Munitions and the Ministries of Shipping and Food, while the necessity of keeping a close and continuous watch on changes in the economic situation as a whole, led to the formation of an improvised Department within the Board, known as the General Economic Department. In addition tem-

porary Departments were constituted within the Board of Trade to administer a number of war "controls" (e.g. coal, timber, paper, cotton, tobacco, matches, various forms of transport, etc.).

Besides these essentially war duties, questions of future economic reconstruction occupied much of the attention of the Board of Trade, and of various Committees of inquiry set up by them. In the absence of any certainty as to the conditions under which the war would be brought to an end, many of the tentative plans for the future drawn up during the war period were destined to sterility, but the Committee which sat in 1917 under the chairmanship of Sir Clarendon Hyde to consider the future organisation of the Board of Trade, made several important recommendations to which effect was given even before the conclusion of peace. Thus the constitution of separate Departments of Industries and Manufactures and of Statistics in 1918 followed the recommendations of this Committee, but a new Department for Power and Transport which was also set up in pursuance of their advice was destined to be short-lived, owing to the transfer of railways, ports and electricity supply to the new Ministry of Transport immediately after the war.

The net result of all the above mentioned changes was that the Board of Trade staff at the date of the Armistice numbered about 7,000, of whom more than half were engaged on temporary war duties.

From this point the duties of the Board of Trade began to grow again. The task of demobilising the emergency Ministries and Departments both

within and outside the Board of Trade, and generally of winding-up war activities, cast new and onerous responsibilities on the Board, which inherited the duties and obligations of the Ministries of Food and Shipping, and the War Trade Department. The terms of the peace settlement also imposed on them heavy duties in respect of the Clearing Office for Enemy Debts and the liquidation of war problems with respect to contracts, industrial property, and similar matters. These duties though temporary were very absorbing during the critical years that followed the peace settlement. Other new functions of a permanent character were allotted to the Board of Trade by the transfer from the Admiralty to the Mercantile Marine Department of responsibility for sea transport and the coastguard services. Finally, matters relating to coal mines were grouped into the new Mines Department, which was attached to the Board of Trade though internally autonomous.

Excluding the Mines Department, we find that the net result of all the additions made to the duties of the Board of Trade since the war, and of the decrease of duties following the winding-up of temporary war activities, together with reductions of staff effected to meet the need for national economy, is that the total Board of Trade staff at the date of writing (middle of 1927) is about 4,500, or roughly three-fifths of the number in 1914.

A mere comparison, however, of these total figures tends to give an exaggerated view of the changes wrought in the organisation and work of the Board of Trade by the transfers of Departments mentioned above. Nineteen out of every

twenty officers so transferred were engaged in labour duties, which though very important were only a quite recent accretion to the historic functions of the Board of Trade. By far the greater number of these officers were scattered over the United Kingdom in local labour exchanges or divisional offices, and formed no part of the comparatively small headquarters staff by whom the continuous traditions of the Board of Trade are handed on. The handing over of responsibility for railways and ports to the Ministry of Transport, though it involved only the transfer of a handful of Board of Trade officers, was a much more serious change so far as the organisation of the Board was concerned, since it meant the severance of an historic connection which had lasted for the greater part of a century.

Of the aggregate number of Board of Trade officers only a very small proportion, possibly one in fifteen, constitute the headquarters staff of the Central Departments, which deal with questions of general policy. Of the remainder about 800 are still occupied in completing temporary work concerning the liquidation of war commitments, about 400 are engaged on internal services common to the Board as a whole, and over 3,000 are employed in external Departments and branches dependent on the Board of Trade (e.g. Patent Office, Standards Department, Seamen's Registry, Census of Production, etc.) or in the local and provincial services of certain Departments (e.g. Mercantile Marine Offices, Coastguard stations, Bankruptcy Offices, etc. etc.).

At the head of the official administrative hierarchy

of the Board of Trade stand the Permanent Secretary and the Second Secretary, of whom, broadly speaking, the former has hitherto dealt with matters of commercial and industrial policy and other questions raising important issues, and the latter primarily with questions of organisation and machinery and public services administration. It has not, however, been found necessary or desirable in practice to draw a very rigid line of demarcation between their functions. Since the war also there has been an officer entitled "Chief Economic Adviser to H.M. Government," whose duties are referred to below.

We have seen in another chapter that the system of joint Secretaries existed up to the year 1867, when the office of Vice-President was suppressed and the joint Permanent Secretaries were replaced by a single Permanent Secretary and a Parliamentary Secretary. This situation lasted until 1913, when, owing to the immense increase in the business of the Department and the consequent pressure on the Permanent Secretary, a "Second Secretary" was instituted, who relieved the Permanent Secretary of much important and laborious work.

For a short period during and immediately after the war there was a definite reversion to the pre-1867 system of two joint Permanent Secretaries, and though in 1920 the title of "Second Secretary" was restored, the difference between the two systems is rather one of nomenclature and precedence than of real practical effect. There can, however, be little real analogy between the present position and functions of a Board of Trade Secretary, and those of his predecessors in the 'sixties. Just before the

outbreak of the Great War in 1914, the staff of the Board of Trade was exactly fifty times as numerous as in 1867, when the system of joint Secretaries came to an end. One inevitable result of this enormous expansion has been to transform the Secretaries from being the actual working directors of more or less specialised Departments into the head centres of a vast administrative organisation, working under constant pressure to keep abreast of current problems, and having less and less leisure to take a comprehensive survey of economic developments and tendencies as a whole. It was mainly the personal experience of the Permanent Secretary during the great period of expansion which closed with the Great War, that led to the establishment of the post of "Chief Economic Adviser."

This post dates from 1919, and two appointments have already been made to it, in both cases a retiring Permanent Secretary being selected. As the title implies, the Chief Economic Adviser is not an administrative officer, and he stands somewhat outside the general stream of current Departmental business, though he maintains a certain contact with such work. The duties of the post are advisory, and up to the present they have been largely concerned with international and inter-imperial economic relations. The holder of the office has, since the institution of the Economic Organisation of the League of Nations, been nominated by the Council of the League to be the British member of the Economic Committee, while he has also been the official British delegate at Conferences convened by the League for the

settlement of International Conventions on economic subjects. By this means it has been possible to establish harmonious and fruitful relations between the economic work of the League and of the Board of Trade. Among the other duties of the Chief Economic Adviser have been the representation of the United Kingdom on the Imperial Shipping Committee, the preparatory work for the Imperial Economic Conference, and (during the past three years) the important work of the Committee on Industry and Trade. The idea underlying the original creation of the post was that in the difficult period of transition immediately following the war, crowded as it was likely to be with difficult economic problems of reconstruction, there should be a high official possessing administrative experience and knowledge of Departmental work, but relieved of all administrative routine, and consequently able to devote himself without hindrance to that thinking-out of complicated problems which is so often the unattainable dream of harassed and over-burdened Secretaries. The transition period has, however, lengthened itself unexpectedly, and the necessity for continuous and systematic thinking on present-day economic problems is no less urgent than eight years ago. The recent institution of the Civil Research Committee, somewhat on the analogy of the Committee of Imperial Defence, to investigate questions of economic defence and development, is a mark of the growing recognition of the need which originally gave rise to the post of Chief Economic Adviser, and it is contemplated that the present holder of that post

shall be a link between the Board of Trade and the Civil Research Committee.

The relations between the President of the Board of Trade and the Permanent Secretaries do not differ in practice from those which obtain between the responsible Ministers and the chief officials of other Departments of State. Such departmental business as is of sufficient importance to require the personal attention of the President, reaches him normally through the channel of one or other of the Secretaries, and while the President has the unquestioned right to send for any officer or paper and to require any matter to be referred to him, reliance must necessarily be placed on the discretion of the head officials to select from the mass of current papers those items which the President ought to see, and those which can properly be settled without reference to him.

Notwithstanding the title of the President of the Board of Trade, his personal authority over his Department is in practice quite as direct and complete as that exercised by a Secretary of State or other Minister. To all intents and purposes the President is the Board of Trade. Up to 1867 there was a second "live" member, viz. the Vice-President, who was not expressly subordinated to the President and drew an equal salary. Reference has already been made to the ambiguous position formerly occupied by the Vice-President in relation to the Board of Trade organisation. There is, however, no such ambiguity about the status of the Parliamentary Secretary who succeeded him in 1867. Neither a Parliamentary Secretary nor a Permanent

Secretary is a member of the Board of Trade. They are colleagues, each responsible to the President, who alone is their chief. It is of course open to the President at his discretion to assign the general supervision of particular groups of Departments to a Parliamentary Secretary, and to delegate to him powers of deciding any particular class of questions which otherwise would be referred to himself. Presidents habitually avail themselves to a greater or less extent of this power, and by its judicious exercise they may obtain substantial relief from the otherwise overwhelming weight of current business. But it is an illusion to suppose that the President can escape ultimate responsibility by any such delegation of powers, for the House of Commons is a hard master, and would certainly insist on holding him responsible for all the acts of his assistants. When a Parliamentary Secretary exercises powers delegated to him by the President, he stands of course in the shoes of the President in his relations with the Permanent Secretaries and other officials, so far as concerns the subject matter covered by those powers.

In late years the great growth of Board of Trade responsibilities, and particularly the association with the Board of quasi-independent Departments such as the Departments of Mines and Overseas Trade, has necessitated an increase in the number of Parliamentary Secretaries. At the time of writing (middle of 1927) there are three Parliamentary Secretaries, one of whom (responsible for the Department of Overseas Trade) is also an Under-Secretary of State in the Foreign Office, while another

is solely concerned with the Mines Department.

It will be evident from the above review that as the result of centuries of evolution, and especially of the great developments which have taken place during the past hundred years, the Board of Trade has become for all practical purposes a Department of State organised on the same lines as the Office of a Secretary of State or other Ministry.

Of the few vestiges of its ancient constitution which still persist, the only one of any great practical importance is the Board's comprehensive mandate to deal with all matters relating to trade, which is based on no Act of Parliament but on the terms of the Order in Council of 1786, which is still the governing Instrument from which the Board derives its general jurisdiction. The President of the Board of Trade is still appointed by a Minute of the Privy Council in which he is described as "President of the Committee of Council appointed for the consideration of all matters relating to Trade and Foreign Plantations." Moreover, up to a very few years ago all important acts of the Board of Trade, including appointments of officials and of members of Committees, purported to be done at a meeting of the Committee of Council held at the Council Chamber, Whitehall, at which the President was the only member present. Many will regret on sentimental grounds that it has lately been thought desirable to discontinue the use of this ancient and harmless formula, thus severing one of the few remaining links with the past, by which Ministers and officials were consciously reminded of the origin and history of the Board of Trade.

APPENDICES

APPENDIX I

REPORT OF THE COMMISSIONERS FOR TRADE TO THE PRIVY COUNCIL DATED JULY 3RD, 1624 (THE FIRST EXTANT REPORT OF THE BOARD OF TRADE)

*This schoulde
haue beene entred
as the thirde, but
there was no ses-
sions & therefore
necessity con-
strained it
omittance.*

A REPORTE of y^e Comm^{rs} for Trade, wch was
red at y^e Boarde & afterwards to his Maty
sitting in Counsell at Wanstead, & well allowed
& approved of: And commandemt given to
enter it in y^e Register of Counsell causes, & to
remaine as an Act of Counsell; by Order from
y^e Lorde President.

The Commissioners for Trade having treated
by the kings direcon with the Merchaunt
Adventurers, the Staplers, and other Merchants
doe pnt unto yor Lps this humble aduise of
theirs, and with full consent of all these
Merchaunts.

ffor opening the restraint of Trade the
Merchants Adventurers do agree to receiue
into their Company all the Merchant Staplers,
and also any other men that are meere Merchants
and not shop-keepers.

All Merchant Staplers, and other Merchants
that schalbe made free of the Merchant
Adventurers, schall for the future beare, pay
and performe all such orders, payments, and
dueties as the Merchant Adventurers doe, for
Gouuernment of their Company and schalbe
capable of all the priuileges of the Companie.

*this was inter-
lyned by order
from the Lo:
President.*

All Marchants of the Staple, and
All Merchants whosoever, of any the out-Portes
schall freely Trade in dyed, dressed, or coulored
clothes, to all places, whether and when they will.

All Merchant Staplers, and all other men
whosoever, schall freely Trade in Kerseyes,
western-dozens, Northern-dozens, and in all
the new manufactures termed new draperies:
Trade who will, whether, and when they will.

Thereby the Trade of cloth wilbe enlarged,
all the Traders in cloth from this Porte of
London schalbe under gouuernmt and the new
manufactures schalbe free, wch is the scope
of the Parliament. ffor if a Gouuernmt
schulde be erected for these lesser comodities,
the charge woulde eate vp the gaine, and thereby
hinder tradeing.

for easing y^e new Burthens vpon Trade.

The Comissioners doe humbly aduise that
there may be a Treaty had about the three
forreigne Imposicons.

1. ffor the 24^s sterling imposed by the Arch :
dukes for lycence money they holde it to be
contrary to the ancycnt Treaty betwixt his
Mats Crowne of Englande and the house of
Burgondie wch is onely twoe pound flemish
vpon a cloth, wch Treaty is confirmed in the
xxth Article of the last League with Spaine.

2. The thirtie twoe schillings imposed by
the states in the name of consumption money
layed upon o^r cloth, and not upon their owne,
ought quite to be taken off, or else that it be
equally layed on their clothes as well as ours.

3. As for the Tare, to haue it made in those Townes onely where the cloth is solde, and not in every of those Townes whether the cloth is carried after it is solde. And the overlength to be respected prouided it equall the wante of bredth.

ffor the home imposicons. Those twoe which touch vpon y^e king's revenue, as the licence, and pretermitted custome, y^e Comissioners leave these to the consideration of yo^r Lps: But for this other thirde layed by the Merchaunt Adventurers, for the raysing of a great sume of money the Comissioners doe thinke fit that a thirde parte thereof schoulde be abated, for the tyme to come, and so to be but ten groats vpon a schorte cloth, and no more then fiue schillings vpon a longe cloth, whereas before, the one was fiue schillings the other seaven schillings six pence.

And for satisfacion of this greate debt for wch this imposicon was first layed and hath now continued seaven yeares, and thereby that sume and more hath bene leavyed: Nevertheless through extraordinary charges and forbearance of the money, there yet remaines a debt of thirty foure thousand pounds and more vpon the company, as they confidently informe.

We think fit to allow them the sume of twenty thousand pounds and no more, towards this thirty foure thousand pounds, and the twenty thousand pounds to be raysed by the imposicons vpon whyte cloth onely, and after the pportion of ten groats vpon a schorte cloth and fiue schillings vpon a longe cloth.

This charge vpon the cloth is not to continue above the space of three years from Lamas day

next and if it schall sooner be rayased then also to ceasse.

And for the more speedie rayising thereof, that the comoditie of the Merchaunt Adventurer inwarde as well as the comodity of y^e Merchaunt Adventurer outwarde is to be charged in an equall pportion.

And for y^e better venting of died dressed and coulored clothes outwarde wee thinke meet that those dyed dressed and coulored clothes bee not charged at all wth this imposicon of ten groats, now fve schillings, but this to be layed onely vpon the whyte clothes.

For Admittance of Merchants into the Company of Marchant Adventurers, the Admittance for the first tyme to be made here, and not fetched beyond the sea : And for the fine upon Admittances the Merchaunt Adventurer in this wilbe ruled according to what the Lords schall thinke reasonable, but wthall they desire to be admitted into the freedom of anie other company vpon the lyke fine.

APPENDIX II

*INSTRUCTIONS FOR THE COUNCIL OF TRADE APPOINTED ON NOVEMBER 7TH, 1660.

1. You shall take into your consideration ye inconveniences w^{ch}. the English Trade hath suffered in any parts beyond the Seas. And are to enquire into such Articles of former Treaties as have been made with any Princes or States in relation to Trade And to draw out such observations or Resolutions from them or as may be necessary for us to advise or insist upon in any foreigne Leagues or Allyances that such evils as have befallen those our Kingdoms through the want of good information in those great and publique [pronounc^{emts} ?] may be provided against in time to come.

2. You are to consider how and by whom any former Articles or Treaties have been neglected, or violated, what new Capitulations are necessary either to give freedom of sale of y^{or} Commodities of all sorts, as to price and payment or to the best expedition of Justice to the recovery of Debts, or to the Security of all factors and their principalls in case of the fact^{ors} death or to the prevention of those interruptions which the Trade and Navigations of our Kingdoms have suffered by Imbargoes of foreigne Princes or States or Impressing the Ships of any of our Subjects for their Service.

3. You are to consider well the interest of all such Trades as are or shall be Incorporated by Or. Royal Charters and what Jurisdictions are necessary to be obtained from such as are

* British Museum, Egerton Additional MSS. No. 2695, f. 268, 269.

or shall be in Alliance with us for the more regular management and government of the Trade and of the members of those Our Corporations and foreign Factories.

4. You are to consider of the several Manufactures of these our Kingdoms how and by what occasions they are corrupted, debased and disparaged. And by what probable means they may be restored and maintained in their ancient goodness and reputation. And how they may be further improved to their utmost advantage by a just Regulation and Standard of Weight Length and Breadth that so the private profitt of the Tradesmen or Merchants may not destroy ye credit of the Comodity and thereby render it neglected and unvented abroad, to the great loss and scandall of these our Kingdoms.

5. You are also to take into your consideration all the Native Commodities of the growth and production of these our Kingdoms and how they may be ordered nourished and manufactured to the employment of our people and to the best advantage of the publike.

6. You are especially to consider of the whole business of fishing of these Our Kingdoms or any of our distant Dominions or Plantations and to consult of some effectual means for the reinforcing encouraging encreasinge and for the regulating and carrying on of the trade in all the parts thereof to the end that the people and stock and Navigation of these Our Kingdom may be employed therein and our neighbours may not be enricht with that which so properly and advantageously may be undertook and carried on by our own subjects.

7. You are seriously to consider and enquire whether the importation of Foreign Commodities do not overballance ye exportation of such as are native And how it may be ordered remedied and provisioned that we may have

more sellers than buyers in every part abroad and that the Coyne and ye pressent Stock of these our Kingdoms may be preserved and increased We judging that such a Scale and Rule of proportion is one of ye highest and most prudential points of Trade by which the riches and strength of these Our Kingdom are best to be understood and maintained.

8. You are to consider and examine by what ways and means other Nations doe prefferr their owne growths and Manufactures, and Importations, and doe discourage and suppress those of these Our Kingdoms, and how the best contrivances and managem^t. of Trade, exercysed by other Nations may be rendered applicable and practicable by these our Kingdoms.

9. You are well to consider all matters, relating to Navigation, and to the increase, and the Security thereof.

10. You are thoroughly to consider the severall matters relatinge to Money, how Bullonge may be best drawne in hither, and how any Obstructions upon our Mynt may be best removed.

11. You are to consider, the general State and Condition of our Foreign Plantations and of the Navigation Trade and several Commodities ariseinge thereupon, and how farr thierr future Improvem^t and Prosperitie may bee advanced by any discouragement Imposition of Restraint, upon the Importation of all goods or Commodities wth. which those Plantations doe abound, and may supply these our Kingdoms, And you are alsoe in all matters wherein our Foreign Plantations are concerned to take advise or information (as occasion shall require) from the Councell appointed and sett apart by us to the more perticuler Inspection Regulation and Care of our Forreigne plantations.

12. You are to consider how the transportation of such things may be best restrained and

prevented, as are either forbidden by the Lawe,
or may be inconvenient, or of disadvantage by
being transported out of these our Kingdomes
and dominions.

APPENDIX III

INSTRUCTIONS TO THE BOARD OF TRADE, CONSTITUTED BY COMMISSION UNDER THE GREAT SEAL, MAY 15TH, 1696

To examine into and take an account of the State and Condition of the general trade of England and of the several particular Trades into Foreign Parts. To examine what Trades are or may prove hurtfull and what beneficial to this Kingdom And by what means the advantageous Trades may be improved and those that are prejudicial discouraged.

To consider by what means profitable manufactures already settled may be further improved and how other new and profitable manufactures may be introduced.

To consider of proper methods for settling on worke and employing the Poore and making them useful to the Publick.

To enquire into the conditions of the Plantations, as well as regards to the Administration of Government there, as in relation to Commerce and how those Colonies may be rendered more beneficial to this Kingdom. To enquire what Naval Stores may be furnished from the Plantations And how the same may be best procured.

To prepare instructions for Governors, and to take an account of their Administration.

To examine the Journals of the Councils and Acts or Laws made by the respective general Assemblies in Order to his Majesty's approbation or disallowances thereof. To require an account of all money given by the Assemblies for Public uses and how the same is expended.

And to make representations and Reports to His Majesty or the Privy Council in writing as there shall be occasion.

APPENDIX IV

ORDER IN COUNCIL OF AUGUST 23RD, 1786, WHICH STILL
REGULATES THE LEGAL CONSTITUTION OF THE BOARD OF TRADE

At the Court at St. James's, the 23rd August, 1786.

PRESENT :

THE KING'S MOST EXCELLENT MAJESTY.

Archbishop of CANTERBURY.

Lord STEWARD.

Duke of MONTAGU.

Marquis of CARMARTHEN.

Lord CHAMBERLAIN.

Earl of CLARENDON.

Earl of COURTOWN.

Lord AMHERST.

Lord SYDNEY.

Lord HAWKESBURY.

Sir Geo. YONGE, Bart.

Mr. Pitt.

W. W. GRENVILLE, Esq.

His Majesty was this day pleased to revoke his Order in Council, bearing date the 5th day of March, 1784, appointing a Committee of Privy Council for the consideration of all matters relating to trade and foreign plantations, and to declare the said Committee dissolved. And His Majesty was pleased at the same time to appoint a new Committee of Privy Council for the business above mentioned, and to declare that—

The Lord Archbishop of Canterbury,
The First Lord Commissioner of the Treasury,
The First Lord Commissioner of the Admiralty,
His Majesty's Principal Secretaries of State,
The Chancellor and under Treasurer of the Exchequer, and
The Speaker of the House of Commons,
should be members of the said Committee.

And that such of the Lords of His Majesty's Most Honourable Privy Council as shall hold any of the following offices, viz. :

The Chancellor of the Duchy of Lancaster,

The Paymaster or Paymasters General of His Majesty's Forces,

The Treasurer of His Majesty's Navy, and

The Master of His Majesty's Mint,

should be members of the said Committee.

And His Majesty was at the same time pleased to order that the Speaker of the House of Commons of Ireland, and such persons as shall hold offices in His Majesty's Kingdom of Ireland and shall be members of His Majesty's most Honourable Privy Council in this Kingdom, should also be members of the said Committee.

And His Majesty was further pleased to order that—

Lord Frederick Campbell,

Robert, Lord Bishop of London,

Lord Grantley,

Sir Lloyd Kenyon, Master of the Rolls,

The Honourable Thomas Harley,

The Honourable Sir Joseph Yorke, K.B.

Sir John Goodriche, Bart.,

William Eden, Esq.,

James Grenville, Esq., and

Thomas Orde, Esq.,

should also be members of the said Committee.

And His Majesty is hereby further pleased to order that the Right Honourable Lord Hawkesbury, Chancellor of the Duchy of Lancaster, and in his absence the Right Honourable William Wyndham Grenville, be President of the said Committee.

APPENDIX V

MR. GLADSTONE'S MEMORANDUM ON THE BUSINESS OF THE BOARD OF TRADE, WRITTEN ON THE EVE OF HIS RESIGNATION OF THE OFFICE OF PRESIDENT (FEBRUARY 2ND, 1845) FOR THE USE OF HIS SUCCESSOR.

[NOTE.—This Memorandum, hitherto unpublished, is of great interest as showing the exact stage reached in 1845 in the development of each branch of the Board of Trade's administration, with the exception of the Railway Department, which at this date had been constituted into a separate Railway Board (see p.). The last section of the Memorandum (Foreign) is of special importance in indicating the position, at the time of Mr. Gladstone's resignation, of the various commercial negotiations designed to secure "reciprocal" concessions in return for the British Tariff reductions effected in 1844. (For Mr. Gladstone's eventual opinion on these negotiations see p.).]

PRIVATE

Memorandum on the state of the Current business of the Board of Trade, except in the Railway Department.

W. E. G., Feb. 1, 1845.

I. Parliamentary

1. Expository Statement.

1. The Expository Statement of the Custom's Revenue, should be laid on the Tables of the Houses of Parliament either on the day of their meeting, or as soon after it as possible.

Mr. Irving has undertaken the correction of the press: and the Printers I apprehend, are aware, that it should be ready for distribution, at the opening of the Session.

2. Further Returns.

2. A Statement of the Export Duties & others relating to the Export of Machinery & the Corn Substitution Act, are in preparation, to follow the above-mentioned paper.

3. *Corn Return.* 3. A continuation of the usual Corn Returns should be moved for shortly after the opening of the Session.
4. *Companies Acts.* 4. These Bills containing the general provisions necessary for the Incorporation of Companies, were introduced at the end of last Session for consideration during the recess, and are ready, I believe, for reintroduction, with some amendments. They should be presented on the very first day on which a Motion, for this purpose can be made, & carried through both Houses with as much expedition as possible, in order that they may serve the purpose of the parties, who have Bills pending to incorporate particular Companies, during the present Session.
5. *M. S. Fund Bill.* 5. The Merchant Seamen's Fund Bill, which was in like manner printed for consideration last year, should also be re-introduced at the opening of the Session. Parties have been informed that ample time will be allowed before going into Committee on the Bill.
6. *Canals Bills.* 6. Some course must also speedily be taken, with regard to the Canals Bill of last year, & to the power of carrying, now sought by Canal Companies in a body. I had settled with Mr. Lefevre on the mode of commencing proceedings, which he will be able to explain.
7. *Wrecks, & Steamers' Bills.* 7. Two Bills, founded in part, on the report of the Shipwrecks' Comm^{rs} of 1843, the one relating to wrecks, & the other to the condition of Steam Vessels, are in a state to admit of their being laid on the Table at an early date.
8. *Sugar—Scale of Duties.* 8. The Scale of duties to be imposed upon Sugars by a permanent Law has been decided on: and I hope it may be thought expedient with a view to dispatch, to deal with Sugar in a Bill by itself, and apart from other reductions of duty.
9. *Sugar—Collateral points.* 9. The collateral points not yet finally fixed are:—

- (a) the duty on Molasses.
- (b) the duty on Candy.
- (c) the duty on Rum.
- (d) the modification of the Drawbacks, to correspond with the New Duties.

It is however, I apprehend fixed that the duty on Rum shall continue to be uniform in the Three Kingdoms.

Mr. Porter is examining the relative values under the three first heads : and the fourth is matter of arithmetic, to be arranged at the Custom House.

10. *Minor Duties on Materials.*

10. Nearly all the other changes in Custom's Duties are agreed on. The Chancellor of the Exchequer has my Memoranda on the subject. It remains however, for consideration, whether a large number of articles, between four & five hundred, on which it is agreed that nothing beyond nominal Duty shall be maintained, should be reduced to such nominal rates, according to Mr. Dean's advice, or should, as I had recommended be set altogether free.

The amounts of nominal duty have been calculated, in case it should be decided to adopt them, which I still hope may not be the case.

11. *Duties on Seeds.*

11. The question of duty on Seeds has not been brought to a conclusion : I apprehend, however there can be no doubt, that all those seeds at the least with respect to which no objections were taken to the reductions in 1842, should now be placed in the large Class to which reference has been made.

12. *Duty on Staves.*

12. I think it on the whole is pretty clear, that the case of Staves which is a difficult one, will be best met by the removal of this duty. Unless Mr. Dean should find, by his final inquiries, that their conversion to other purposes, would be so extensive and diversified, as to unsettle the Timber Duties generally.

13. *Importation of Copyrighted Works.* 13. I have been in correspondence with Lord Mahon who ultimately had charge of the Copyright Bill, on the subject of a change in the Law, as to the importation of Copyrighted Books, printed abroad under license. My Memorandum on this subject will sufficiently open my view of it, with which L^d Dalhousie & Mr. Lefevre also are acquainted.
14. *Coal Whippers Act Report.* 14. A Report from the Commiss^{rs} appointed, under the Coal-Whippers Act, is in preparation, and should be printed very early in the Session.
15. *Pawn-broking & Loan-Societies Report.* 15. A Report on the state of the Pawnbroking Trade has been prepared by Mr. Drinkwater Bethune & Mr. Bertolazzi, & has been promised to Parliament: with an intimation that it might be the foundation of a Bill.
16. *Zoll Verein Correspondence.* 16. It has also been promised to present to Parliament, the late Correspondence with the Zoll Verein, relating to Tariffs.
17. *Customs Consolidation Acts.* 17. An intention has for some time been entertained to consolidate the Customs Law, to which at least Seven or Eight Acts, have been passed in the Sessions 1842-4: and as most of the requisite changes of regulation have now been made, it appears, that a late period in the coming Session, will probably afford a convenient opportunity for introducing & passing, *as a Measure of convenience to Merchants & Traders*, consolidating Acts.
18. *London Coal Trade.* 18. It will be necessary to consider very early, the subject of the Coal Trade of the Port of London: which has already been opened by Mr. Lefevre.
19. *Substitution Act renewal.* 19. Also to consider of the expediency of renewing the Substitution Act. I have had intimations that some of the Millers, will press for a relaxation of its provisions: but I am not yet in possession of the grounds of their case.

20. *London
Dock Com-
panies Bill.*

20. The Board of Trade will probably be required by the London Dock Companies, to support a Bill for the purpose of modifying that provision of the present law, which obliges them to declare Goods overside, free of any charge whatever.

I think the present law unjust in principle. I advised Sir John Hall, if they made any effort at all, to propose some reasonable compromise : and if any thing of this kind can be carried, which however may be no easy matter, it will set the hands of the Government much more free, upon a question that is always alive, namely the extension of Bonding accommodation in the Port of London.

21. *Insurance
Companies
Bill.*

21. A Bill is in preparation applying *mutatis mutandis*, the principle of the Joint Stock C^{os} Act of the last Session, to Insurance Companies.

22. *J.S. Com-
panies,
Scotland.
J.S.
Companies,
Bankruptcy
Ireland.*

22. Also Bills for extending that Act to Scotland, & for extending the principles of the J.S. Companies Bankruptcy Act to Ireland.

23. *Private
Partner-
ships.*

23. A Bill was introduced during last Session for granting certain privileges to Private Partnerships. The question was too much of a legal character for me to be able to form a judgment in it : but Mr. Ker, who drew the Bill, treated it as a very imperfect one, and at the same time did not hold out much hope of our arriving at a better. Such a Bill was recommended by the Comm^{ee} on Joint Stock C^{os}: but I think Mr. Ker, preferred retaining the law as it is to the Bill which he framed. The practical defect however, is obvious and pressing.

24. *Woollen Trade,—Frauds.* 24. The Board will speedily have to consider a Bill for preventing frauds in the Woollen Trade, similar in principle, to that which was passed in 1843, with reference to the Frame Work Knitters Trade.
25. *Pilotage.* 25. The question of Pilotage will stand over, on account of an aversion to a main proposition of the Measure which had been prepared for the alteration of the law : and of the pressure of other business.
26. *Agricultural Statistics.* 26. A pledge has been given to Parliament to make some effort towards the collection of Agricultural Statistics, and a plan, after conference with Sir J. Graham, proposed to the Home Office.—No reply has yet been received.
27. *Quarantine Laws.* 27. A pledge has also been given to endeavour, in concert with other Powers, to make arrangement for the further Mitigation of the Quarantine Laws : & the interval which Austria specified as requisite for the preliminary inquiries, is now, I think about exhausted, and the time at hand for reviving the subject of the proposed Congress.
28. *Shipping Committee.* 28. It will probably be proposed to revive the Shipping Comm^{ee}, from which I anticipate neither good nor harm. Complaint was made last year of its composition, as not including any thoroughgoing free trader of ability : if a man of that kind would serve upon it, perhaps it would keep him from being worse employed elsewhere.
29. *Trinity House Comm^{ee}.* 29. In 1843, Mr. Hume gave notice of a Committee on the Trinity House, but he has not renewed the proposal, and I apprehend he flinches. The Gov^t are I think pledged to grant the inquiry.
30. *House of Commons Committees on Railway Bills.* 30. One of the earliest subjects for consideration will be the mode of dealing with the Railway Bills of the Session. I think it is clear that they must be assorted into families : and this may be done, either upon the proposal

of the representative of the Department, or as it was done last year, by a Special Committee for the purpose.

Last Year, special Measures were taken only with regard to competing Lines: but this year a great majority of the large & important projects, will, I apprehend, be included within that designation.

I cannot doubt that *these* must again be referred to Select Committees: although the proposal of last year, was not so entirely & unequivocally successful, as to preclude the possibility of serious difference of opinion on the subject.

But a new & powerful argument, for this course, will be found, in the utter impossibility of dealing with the multitude of Bills now coming forward, with the ordinary machinery.

There will also be a question, whether, if all the competing lines, be thus dealt with, the residue shall be left to the ordinary mode of proceeding.—If this could be made the basis of a general agreement on the subject, I should incline to it: but I am not yet master of the case.

II. Prerogative

1. An Order in Council is in preparation, directing the admission of the Sugars of Mexico, on the footing of the most favored nation.

2. A similar Order, will in all probability require to be prepared speedily in favour of the Sugars of the United States, of which I understand some experimental parcels, purchased with a certainty of loss, are on their way from New Orleans.

3. The Danish Claim for the Colonial Sugars of that State, has been very fully considered & negatived, by the Law Officers. Mr. Lefevre has a detailed Memorandum upon it.

4. Questions of some difficulty may arise

with regard to claims for the admission of Sugar not properly certified, under certain circumstances.

My impression is, that admission at the 34/- duty, might be granted, when the following conditions unite :

- (a) that the certificate is the best procurable.
- (b) that it was taken out, and transmitted with the cargo.
- (c) that it was taken out, in consequence of orders sent from this country, after Mr. Goulburn's Financial Statement, but before it had been formally declared in Parliament, that only British Certifs would be available—or, in default of the last of these,—then,
- (d) that it was taken out in one of the places which had been designated as intended to be provided with certifying Officers, and before such Certifying Officers were on the spot & prepared to act.—

A main difficulty in the way of present decisions, is, that we do not know when the Consul at Manilla reached his post, & when the several appointments, transmitted to parties in Java, were received & took effect. When once that is known, and if we find that the period, was not much delayed, I think there is little difficulty : on the other hand, if unforeseen difficulties did occur, the claim of the parties, for the admission of their Sugars, is thereby strengthened. Two cases are depending—one—in which the Certificates were procured after the cargoes had been dispatched—has been answered in the negative. These will almost to a certainty come in. But I hope the Mail may bring the desired News, which will at once put a *limit* to the admissible claims.

5. The materials of another nice & important question are in preparation, viz.—the extension, to other tributary and dependent States in the

E.I. of the principles which were applied during the last summer to the produce of Mysore. I am afraid that considerable difficulties will be found to attend any large extension of those principles, unless the E.I. Company could adopt some legislative Measures, which would unite all of these States with the British E.I. Dominions for commercial purposes, so that we might proceed with them, as we do internationally, with the *Zoll Verein*: or else, in some other manner attach to them, a formal unity, which might be recognised as sufficient for the principles of Treaty, like that of the United States: so as to preclude their being held to be Foreign Powers *quoad* such subjects.

6. A claim has been made for the admission of the Sugar of Muscat, which we do not think admissible: the form of the Treaty not providing for privilege to the produce of either country.

I regret to add that considerable obscurity arises in the interpretation of our Treaties, from the want of precision in the language of some of them; as they fail to indicate clearly, whether the privileges stipulated for, extend alike to Subjects, Ships & Products of the respective countries, or to any & which of them.

III. Foreign

I. France.

1. An offer has been made to M. Guizot, undertaking to reduce the Silk Duties, to a rate per lb, calculated to represent fairly 15% *ad valorem*, if France will simultaneously admit our Cottons at one of 25%.—Cottons being found out of the question, Lord Aberdeen next named Woollens, in their stead. The answer is, a proposal to include a greater number of articles on each side: which I think amounts practically to a negative, at least for the present.

2. *Zoll-Verein.*

2. I hope that the International Copyright Convention, with Prussia, is now either signed at Berlin, or on the eve of it: but from the influence of Traders, over the Prussian Gov^t, I cannot regard it as certain. The only point of difficulty however, which appeared to be seriously made by the Prussian Government, was, that we did not propose, by the Book Duties of 1844, to admit all their Greek & Latin books, at a nominal duty, or, rather, at the low duty of 15/- per cwt: and this has been renewed by our undertaking, that whenever a Greek, or Latin author, has been edited in Prussia, so that the editions can be said to have a definite character, whether by way of modified Text, or otherwise, that shall be considered as original commentary and declared admissible accordingly.

3. *Zoll-Verein*
(*Commercial*
Treaty).

3. The Chevalier Bunsen has spoken anxiously, & repeatedly to me on this subject: I have treated it as one which we did not wish absolutely to close, but were not prepared ourselves, to open. I have told him that what we should *ask*, would probably, be in the first place a large diminution of the 50 Thaler duty on Cotton Goods: and that there was no subject which they need regard as entirely out of the question, on our part, by way of equivalent, except that of Corn, which could not be dealt with internationally. Also, as he had adverted to a power of carrying from England to her Colonies, in Prussian Ships, I told him that I could not encourage any idea of a concession of that nature.

4. *Holland.*

4. Although Holland has declined our overture for the removal of differential duties in Java, yet the subject should be watched. She has commercial changes of a liberal kind in agitation, & from a recent communication she seems to be looking for encouragement from us: so that there may be a lever in the hands

of the Government, for working on her with respect to these changes.

An Order in Council imposing countervailing duties has been prepared, but at Sir Robert Peel's instance it was suspended until we should have had some experience of the effect of these duties, upon the actual course of trade, under the New Law, as to Sugar.

5. *Denmark.*

5. We lately conceded to Denmark the power of carrying from British Ports, to her Colonies, by Order in Council, upon the footing of the most favoured nation. It was done at the instance of Count Reventlow, as an encouragement to liberal Measures towards us, on the part of Denmark. He expressed a confident assurance that such an Act, on our part, would enable him to procure some reciprocal manifestations. The boon was not a great one; or it could not have been ventured upon speculation. But of course he should be pressed for the fulfilment of the anticipations which he raised: and the privilege granted is revocable. The pressure of this Government upon him will strengthen his hands towards his own Government.

6. *Russia.*

6. Russia—An overture has been made to Russia, or rather perhaps, an intimation, that if she is willing to admit any one of the four greatest branches of our Exports (Cottons, Woollens, Metals) at reasonable duties, we will repeal the duty upon Tallow, and the small remaining duties upon some other materials which we draw from her: also that for further concessions on her part, we might possibly go further & reduce them the duty on Timber. This movement was not volunteered by us, but grounded on a suggestion from Mr. Bloomfield. I am not sanguine as to any direct result.

7. *Russia—
Herring duty.*

7. We have a question pending with Russia, under the present Treaty, as to her right to lay a higher duty upon Herrings of our Fisheries,

than upon those of Norway. I think our right is clear, & must be maintained. And further, as the proceedings on that side are very slow, it appears to me worthy of consideration, whether they might not be expedited by an intimation that there will be claims for repayment of duties, exacted since the first demand was made by us.

8. *Turkey.*

8. With Turkey there are many questions pending.—

First, we demand to be placed, under the present Treaty, upon a footing of equality with Russia, according to the first clause of the Treaty. This question is now wholly in Lord Aberdeen's hands.

9. *Secondly*, we are willing to entertain the question whether some of the restrictions of the present Treaty upon Turkey, as to Monopolies may be relaxed: but not until she has satisfied our just demands.

10. *Thirdly*, we are also willing to alter the basis of Import and Export duty, fixed by the present Treaty, for her advantage: but not to open this question until the existing anomaly as between our Trade & that of Russia, shall have been rectified.

11. *Fourthly*, we have other grievances of detail, with respect to which no satisfaction has yet been given: and which ought to be removed, before we can fairly be asked to make alterations for the benefit of Turkey.—A precis of this Correspondence, will, I think, be found very necessary.

12. *Quarantine.*

12. Laws of Quarantine. See I Parliamentary.

13. *Spain.*

13. Spain has expressed a disposition, upon our invitation, to reconsider the differential duties in force, at Manilla: but, though some time has elapsed, there is no result: and the revival of the question, by a new overture, may perhaps be desirable at an early period.

14. *Brazil.*

14. The Negotiations with Brazil are alive, in point of form : but the questions at present involved are small, & there is every prospect of ample time for consideration before even these are definitively presented. It appears, that the Brazilian Gov^t must wish to bring to issue, their Negotiations with the Zoll-Verein, before they proceed farther with us.

15. *New
Granada.*

15. A Question of some importance has been raised by N. Granada ; she desires to make the subsisting Treaty between the Two Countries terminable instead of perpetual.

On one, or more, former occasions, this has been treated as if it were a favour sought from us, by the other contracting Party. But we ourselves have recently felt the inconvenience of the permanence of these Treaties, which stipulate for privileges of trade unconditionally in the largest form : and I could wish we had had the option of terminating them in our hands : further it seems to be contrary to abstract reason, to provide in a complicated state of things perpetually for the grant of the *maximum* of privilege to a particular country. But on the other side it may be a question, whether States so little consolidated as these Republics of South America, generally, imbibing probably from Europe vague notions of a high protective System, as a Secret of National Wealth, might not be more than usually liable to put in practice rashly, the power of bringing these restraining Conventions to an end.

W. E. G.

APPENDIX VI

List of Presidents, Vice-Presidents and Secretaries of the Board
of Trade (so far as the information is available).

(A) THE SEVENTEENTH-CENTURY COUNCILS OF TRADE

[NOTE.—The information is derived from various sources and is incomplete. In some cases the dates given are only approximate.]

DATE.	PRESIDENT.	DATE.	SECRETARY.
1622	"The Lord President"	1622	Robert Dixon
1625	Sir Thomas Savage (?)		
1655	Richard Cromwell	1650	Benjamin Worsley
1660	Earl of Sandwich	1655	William Seamen
1668	Earl of Bridgewater	1660	George Duke
1672	Earl of Shaftesbury		Peter de Mouline
	(Vice-President) Lord Culpepper	1672	Benjamin Worsley
		1673	John Locke
1674	Earl of Bridgewater [appointed to take over affairs of late Council of Plantations, etc.]	1674	Sir Robert Southwell
		1676	Sir Philip Lloyd
		1685	William Blathwayt

(B) WILLIAM III's BOARD OF TRADE (1696-1782)

DATE.	PRESIDENT.	DATE.	SECRETARY.
1696	Earl of Bridgewater	1696	William Popple
1699	Earl of Stamford		
1711	Earl of Winchelsea	1707	William Popple (junior)
1714	Lord Guildford		
1714	Lord Berkeley		
1715	Earl of Suffolk and Bindon		
1718	Earl of Holderness		
1719	Earl of Westmorland	1722	Alured Popple
		1727	William Popple
1735	Earl Fitzwalter		
1737	Lord Monson	1737	Thomas Hill
1748	Earl of Halifax		
		1753	John Pownall (Acting Secretary)
		1758	John Pownall
1761	Lord Sandys		
1763	Charles Townshend		
1763	Earl of Shelburne		
1763	Earl of Hillsborough		
1765	Earl of Dartmouth		
1766	Earl of Hillsborough		
1766	Robert Nugent, Viscount Clare		
1768	Earl of Hillsborough (Secretary of State for Colonies, on which office the Board of Trade was now dependent)	1768	John Pownall (Under-Secretary of State for Colonies and Secretary to Board of Trade)
1772	Earl of Dartmouth (ditto)		
1775	Lord George Germaine (ditto)		
		1776	Richard Cumberland
1779	Earl of Carlisle (President of Board of Trade only)		
1780	Lord Grantham		

(C) THE COMMITTEE OF COUNCIL FOR TRADE AND
PLANTATIONS (1784)PRESIDENT.
Lord SydneyJOINT SECRETARIES.
Stephen Cottrell
William Fawkener
(Clerks in the Privy Council Office)

(D) THE EXISTING BOARD OF TRADE

*(I) Presidents and Vice-Presidents or Parliamentary Secretaries
of the Board of Trade since 1786*

FROM.	PRESIDENT.
Aug. 23, 1786	Lord Hawkesbury (afterwards Earl of Liverpool)
June 6, 1804	3rd Duke of Montrose
Feb. 5, 1806	1st Lord Auckland
Mar. 26, 1807	3rd Earl Bathurst
— 1809	Viscount Melville
— 1812	3rd Earl Bathurst
Sept. 29	2nd Earl of Clancarty
Jan. 24, 1818	Fred John Robinson (afterwards Earl of Ripon)
Jan. 31, 1823	W. Huskisson
Sept. 3, 1827	Charles Grant (afterwards Lord Glenelg)
June 11, 1828	W. Vesey Fitzgerald
Feb. 2, 1830	J. C. Herries
Nov. 22, 1830	2nd Lord Auckland
June 5, 1834	C. P. Thomson (afterwards Lord Sydenham)
Dec. 16, 1834	A. Baring (afterwards Lord Ashburton)
April 18, 1835	C. P. Thomson (afterwards Lord Sydenham)
Aug. 27, 1839	Henry Labouchere (later Lord Taunton)
Sept. 6, 1841	Earl of Ripon
May 16, 1843	W. E. Gladstone
Feb. 3, 1845	Earl of Dalhousie
July 6, 1846	Earl of Clarendon
July 22, 1847	Henry Labouchere (afterwards Lord Taunton)
Feb. 27, 1852	Joseph Warner Henley
Dec. 28, 1852	Edward Cardwell (afterwards Viscount Cardwell)
Mar. 31, 1855	Lord Stanley of Alderley

FROM.	PRESIDENT.
April 6, 1858	Joseph Warner Henley
Mar. 3, 1859	4th Earl of Donoughmore
July 1, 1859	Thomas Milner Gibson
July 6, 1866	Sir Stafford H. Northcote, Bart. (afterwards Earl of Iddesleigh)
Mar. 8, 1867	6th Duke of Richmond
Dec. 9, 1868	John Bright
Jan. 2, 1870	Chichester S. Fortescue (afterwards Lord Carlingford)
Mar. 2, 1874	Sir Charles B. Adderley (afterwards Lord Norton)
April 4, 1878	Viscount Sandon (afterwards Earl of Harrowby)
April 29, 1880	Joseph Chamberlain
June 24, 1885	3rd Duke of Richmond and Gordon
Aug. 19, 1885	Edward Stanhope
Feb. 6, 1886	Anthony J. Mundella
Aug. 4, 1886	Sir Frederick Stanley (afterwards Earl of Derby)
Feb. 21, 1888	Sir Michael E. Hicks-Beach (afterwards Earl St. Aldwyn)
Aug. 18, 1892	Anthony J. Mundella
May 28, 1894	James Bryce (later Viscount Bryce of Dechmont)
June 29, 1895	Charles Thomson Ritchie (afterwards Lord Ritchie of Dundee)
Nov. 13, 1900	Gerald William Balfour
Mar. 14, 1905	4th Marquess of Salisbury
Dec. 11, 1905	David Lloyd George
April 16, 1908	Winston S. Churchill
Feb. 19, 1910	Sydney C. Buxton (now Earl Buxton)
Feb. 12, 1914	John Burns
Aug. 6, 1914	Walter Runciman
Dec. 13, 1916	Sir Albert H. Stanley (now Lord Ashfield)
May 30, 1919	Sir Auckland C. Geddes
Mar. 25, 1920	Sir Robert S. Horne
April 5, 1921	Stanley Baldwin
Oct. 25, 1922	Sir Philip Lloyd-Greame (now Sir Philip Cunliffe-Lister)
Jan. 23, 1924	Sidney Webb
Nov. 7, 1924	Sir P. Lloyd-Greame (now Sir P. Cunliffe-Lister)

FROM.	VICE-PRESIDENT OR PARLIAMENTARY SECRETARY.
	<i>Vice-Presidents.</i>
Aug. 23, 1786	W. W. Grenville
Nov. 18, 1801	Lord Glenbervie
Feb. 8, 1804	Nathaniel Bond
June 6, 1804	George Rose
Feb. 5, 1806	Richard Chandos, Earl Temple
March 26, 1807	George Rose
Sept. 29, 1812	Fred John Robinson
Jan. 24, 1818	Thomas Wallace (afterwards Lord Wallace)
Jan. 31, 1823	Charles Grant (afterwards Lord Glenelg)
Sept. 3, 1827	John Wilmot Horton
June 11, 1828	Thomas Frankland Lewis (afterwards Sir T. F. Lewis, Bart.)
Feb. 2, 1830	Thomas Peregrine Courtenay
Nov. 22, 1830	Charles Poulett Thomson (afterwards Lord Sydenham)
Dec. 16, 1834	Viscount Lowther
April 18, 1835	Henry Labouchere (later Lord Taunton)
Aug. 27, 1839	Richard Lalor Sheil
June 21, 1841	Fox Maule (afterwards Lord Panmure)
Sept. 6, 1841	W. E. Gladstone
May 16, 1843	Earl of Dalhousie
Feb. 3, 1845	Sir George Clerk, Bart.
July 6, 1846	Thomas Milner Gibson
May 6, 1848	Earl Granville
Feb. 6, 1852	Lord Stanley of Alderley
Feb. 27, 1852	Lord Colchester
Dec. 28, 1852	Lord Stanley of Alderley
March 31, 1855	E. Pleydell Bouverie
July 30, 1855	Robert Lowe (afterwards Viscount Sherbrooke)
April 6, 1858	Earl of Donoughmore
March 3, 1859	Lord Algernon George Percy (Lord Lovaine) afterwards 6th Duke of Northumberland
June 3, 1859	James Wilson
Aug. 12, 1859	William Francis Cowper (afterwards Lord Mount Temple)

FROM.	VICE-PRESIDENT OR PARLIAMENTARY SECRETARY.
Feb. 22, 1860	William Hutt.
Nov. 29, 1865	G. J. Goschen (afterwards Viscount Goschen)
Feb. 6, 1866	William Monsell (afterwards Lord Emly)
July 6, 1866	Stephen Cave (afterwards Sir Stephen Cave)
	[By the Act 30 and 31 Vict. C. 72 of 1867, the office of Vice-President was abolished and a Secretary with a seat in Parliament substituted.]

Parliamentary Secretaries.

Dec. 9, 1868	George John Shaw-Lefevre (later Lord Eversley)
Jan. 14, 1871	A. Wellesley Peel (afterwards Viscount Peel)
Mar. 2, 1874	George A. F. Cavendish Bentinck
Nov. 18, 1875	Hon. (afterwards the Rt. Hon.) Edward Stanhope
April 4, 1878	John Gilbert Talbot
April 29, 1880	Hon. Evelyn Ashley
May 15, 1882	John Holms
June 24, 1885	Baron Henry de Worms (afterwards Lord Pirbright)
Feb. 6, 1886	C. T. D. Acland (afterwards Sir C. T. D. Acland, Bart.)
Aug. 4, 1886	Baron Henry de Worms (afterwards Lord Pirbright)
Feb. 21, 1888	Earl of Onslow
Jan. 1, 1889	Lord Balfour of Burleigh
Aug. 18, 1892	Thomas Burt.
June 29, 1895	Earl of Dudley
Aug. 16, 1902	Andrew Bonar Law.
Dec. 19, 1905	Hudson E. Kearley (now Viscount Devonport)
Jan. 11, 1909	H. J. Tennant
Oct. 26, 1911	J. M. Robertson
May 31, 1915	E. G. Pretymann
Dec. 13, 1916	G. H. Roberts
Aug. 18, 1917	G. J. Wardle
	The Overseas Trade Department (Secretary) Act, 1918, provided for the appointment of a Secretary of the Department of Overseas Trade (Development and Intelligence) "who shall discharge the functions both of a parliamentary secretary to the Board and a parliamentary

FROM.	VICE-PRESIDENT OR PARLIAMENTARY SECRETARY.
	under-secretary to the Secretary of State." The names of the holders of this post are distinguished by the letters "D.O.T." after their names in this list.
Feb. 27, 1918	Sir A. Steel-Maitland, Bart. (D.O.T.)
Jan. 11, 1919	W. C. Bridgeman
July 10, 1919	Sir Hamar Greenwood, Bart. (D.O.T.)
April 3, 1920	F. G. Kellaway (D.O.T.)
Aug. 23, 1920	Sir P. Lloyd-Greame (now Sir P. Cunliffe-Lister)
April 4, 1921	Sir W. Mitchell-Thomson, Bart.
April 4, 1921	Sir P. Lloyd-Greame (D.O.T.) (now Sir P. Cunliffe-Lister)
Nov. 1, 1922	Viscount Wolmer
Nov. 1, 1922	Sir W. Joynson-Hicks, Bart (D.O.T.)
Mar. 12, 1923	Lt.-Col. A. Buckley (D.O.T.)
Jan. 23, 1924	A. V. Alexander
Jan. 23, 1924	W. Lunn (D.O.T.)
Nov. 12, 1924	Sir R. Burton Chadwick
Nov. 12, 1924	A. M. Samuel (D.O.T.)
Nov. 10, 1927	Douglas Hacking (D.O.T.)
Jan. 14, 1928	Herbert G. Williams
	NOTE.—The Mining Industry Act, 1920, provided for the establishment of a department of the Board of Trade (to be known as the Mines Dept.) under a Parliamentary Secretary of the Board, known as the Secretary for Mines. As the Mines Department is not dealt with in the present volume the names of the "Secretaries for Mines" are not included in the present list.

(II) *Chief Permanent Secretarial Officers of the Board of Trade since 1786*

DATE.		NAME.	TITLE.
FROM.	TO.		
Aug. 25, 1786	May 31, 1825	George Chalmers*	Chief Clerk
July 13, 1825	Feb., 1836	Thomas Lack	Assistant Secretary; after July 5, 1829, Joint Assistant Secretary†.
July 5, 1829	Jan., 1840	James Deacon Hume	Joint Assistant Secretary
Feb., 1836	June 18, 1841	Sir Denis Le Marchant, Bart.	do.
May 15, 1848	Oct. 9, 1850	do.	Joint Secretary
Jan., 1840	Aug. 5, 1847	John MacGregor	do.
June 19, 1841	May 4, 1848	Sir John George Shaw Lefevre, K.C.B.	do.
Aug. 6, 1847	Sept. 3, 1852	George Richardson Porter	do.
Oct. 10, 1850	Sept. 30, 1865	James Booth	do.
Sept. 4, 1852	Dec. 31, 1866	Sir James Emerson Tennent, Bart.	do.
Oct. 1, 1865	Dec. 31, 1866	Thomas Henry Farrer (afterwards Lord Farrer)	(Sole or) Permanent Sec.
Jan. 1, 1867	May 14, 1886	do.	do.
May 15, 1886	May 23, 1893	Sir Henry George Calcraft, K.C.B.	do.
May 24, 1893	May 19, 1901	Sir Courtenay Boyle, K.C.B.	do.
May 25, 1901	Jan. 14, 1907	Sir Francis J. S. Hopwood, G.C.M.G., K.C.B. (afterwards Lord Southborough)	do.
Jan. 15, 1907	Aug. 22, 1919	Sir H. Llewellyn Smith, G.C.B.	do.
May 8, 1913	Mar. 16, 1916	Sir G. S. Barnes, K.C.B., K.C.S.I.	Second Secretary
Mar. 17, 1916	Jan. 24, 1918	Sir W. F. Marwood, K.C.B.	do.
Jan. 25, 1918	Sept. 22, 1919	Sir W. F. Marwood, K.C.B.	Joint Secretary
Aug. 23, 1919	Feb. 29, 1920	Sir S. J. Chapman, K.C.B., C.B.E.	do.
Sept. 23, 1919	Feb. 29, 1920	Sir H. A. Payne, K.B.E., C.B.	do.
Mar. 1, 1920	July 31, 1927	Sir S. J. Chapman, K.C.B., C.B.E.	Permanent Secretary
Mar. 1, 1920		Sir H. A. Payne, K.B.E., C.B.	Second Secretary
Aug. 1, 1927		Sir Horace P. Hamilton, K.C.B.	Permanent Secretary

NOTE.—From 1786 to 1808 two Clerks of the Privy Council attended the Committee or Board as Secretaries, for which service they each received an additional £500 a year; although such payment ceased after 1808 the names of certain Clerks of the Privy Council appear in the Calendars as Secretaries until 1845.

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